Alberta

Freedom To Create. Spirit To Achieve.

Solicitor General and Public Security

Annual Report
2008-2009

Government of Alberta

Solicitor General and Public Security

Annual Report

2008-2009

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Public Accounts 2008-2009 Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 30, 2009 contains the Ministers' accountability statements, the consolidated financial statements of the Province, and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Solicitor General and Public Security contains the Minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This Ministry's annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Solicitor General and Public Security, the Victims of Crime Fund, as well as the Alberta Lottery Fund and the Alberta Gaming and Liquor Commission; and**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The ministry's annual report for the year ending March 31, 2009, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 14, 2009 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by

Fred Lindsay
Solicitor General
and Minister of Public Security

Message from the Minister

Alberta continues to be the best place to live, work and raise families and because of this, it draws people from across Canada looking for a better future. Unfortunately, it's not immune to also attracting criminals looking to expand their illegal and often dangerous activities.

This past year, Solicitor General and Public Security launched or began work on a number of major initiatives to help make Alberta communities safer and more secure. I am proud of my ministry's staff and their many accomplishments in 2008-09 as we moved forward on the premier's mandate to promote strong and vibrant communities and reduce crime so Albertans feel safe.

Throughout 2008, the Government of Alberta moved forward on the recommendations of the *Crime Reduction and Safe Communities Task Force Report*. Working with eight other government departments, we began implementing the comprehensive recommendations that deal with tougher enforcement, focused prevention, and expanded treatment options.

We continue to plan for and respond to the changing environment of modern corrections and incorporate best practices in the delivery of correctional services. The *Blueprint for the Future of Corrections* is an innovative strategy that is enhancing how we manage inmates in our custody and offenders under community supervision by increasing support and direction to assist them in becoming contributing members of society.

Additional police officers were added to target serious and violent crime in Alberta. One hundred police officers were hired as part of Premier Stelmach's commitment to add more officers over the next three years, and more than 80 to target guns, gangs and drugs. We also expanded the role of Alberta Sheriffs to include targeting properties used for illegal activities, and apprehending criminals with outstanding warrants.

As part of the government's long-term crime reduction strategy, the Alberta Law Enforcement Response Teams (ALERT) were restructured to help provide a more coordinated and effective response to serious and organized crime. ALERT, a provincially funded initiative, facilitates integrated policing initiatives across the province, allowing them to better target gangs, drugs, organized crime, on-line child sexual exploitation and domestic violence.

We also continued our commitment to safer roads by bringing our Sheriff Highway Patrol up to its full complement of 105 members. As part of the continued strengthening of the working relationship between RCMP Traffic Services and the traffic sheriffs, the two organizations are collaborating on a new traffic pilot project to help ensure ongoing safety on Alberta's highways.

The Alberta Serious Incident Response Team (ASIRT), headed by a civilian director with 14 investigators, continued to investigate matters where the actions of a police officer have resulted in serious injury or death, or other serious or sensitive matters involving police.

The ministry also delivered on its commitment to support victims of crime. We increased funding for victims by $4 million to $25 million, including programs that support victims of crime, and financial benefits. We also introduced a new $1,000 monthly benefit for victims who have suffered a severe brain injury or fully-dependent quadriplegia.

The Alberta Gaming and Liquor Commission (AGLC) also falls under my mandate. The AGLC ensures the province's gaming and liquor industries operate effectively, with integrity, in a socially responsible manner and provide benefits to Albertans.

As part of their ongoing efforts to improve safety in and around licensed premises, the AGLC introduced new policies including setting a minimum drink price to eliminate cheap drink specials, limiting happy hours and limiting the number of drinks that can be sold or served at last call. The goal of these measures is to curb binge drinking and overconsumption in bars and lounges.

The AGLC also announced the formation of the Alberta Safer Bars Council to provide input on policy development and the implementation of best practices to help reduce the number of violent incidents in and around licensed premises.

In the coming year, we'll be looking to improve public safety in licensed premises through two key amendments to the *Gaming and Liquor Act*. One will provide police with more power to deal with suspected gang members and their associates by excluding and removing them before a crime is committed. The second amendment will help bar operators work together to deal with problem patrons. Licensees will be given the authority to collect, use and share limited information about problem patrons to prevent troublesome individuals from moving between bars and nightclubs and creating similar situations in a new venue.

To continue helping Albertans make informed decisions about their gambling activity and provide avenues for those who are interested in seeking treatment, the province held its second *Responsible Gambling Awareness Week*. Also launched was a Responsible Gambling advertising campaign that focused on combating gambling myths.

Funds from gaming continue to benefit Albertans through both charitable gaming events and grants from the Alberta Lottery Fund. In 2008-09, the Alberta Lottery Fund provided more than $1.5 billion to support thousands of public and community initiatives including libraries, athletic events, arts and cultural festivities and historical resources.

These are just some of the highlights of our achievements over the past year. I encourage you to read the report for more details.

Original signed by

Fred Lindsay
Solicitor General
and Minister of Public Security

Management's Responsibility for Reporting

The Ministry of Solicitor General and Public Security includes: Department of Solicitor General and Public Security, Victims of Crime Fund, the Alberta Lottery Fund and the Alberta Gaming and Liquor Commission.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Solicitor General and Minister of Public Security. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and with the sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – Performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

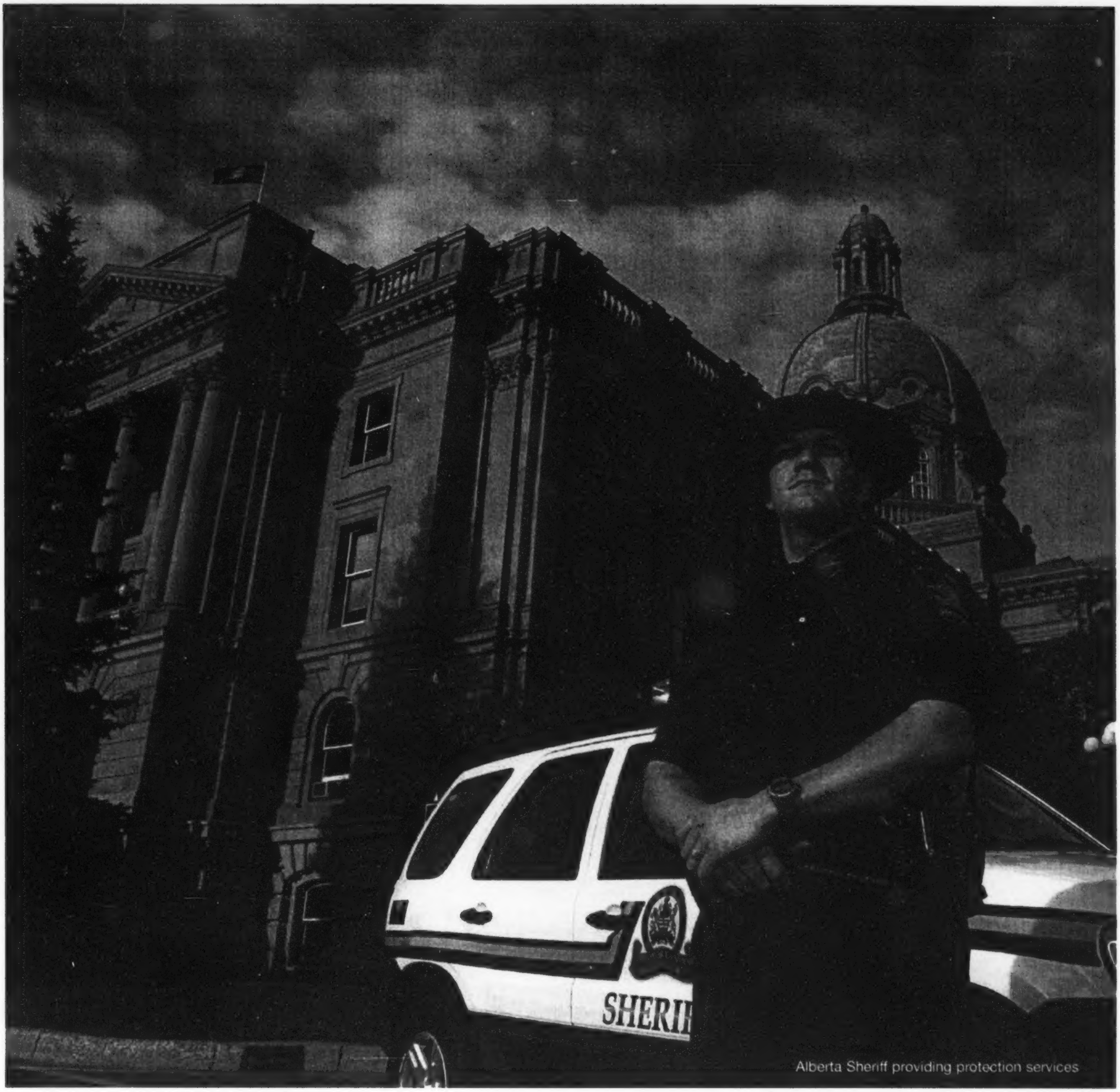
As Deputy Minister, in addition to program responsibilities, I establish and maintain the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Solicitor General and Minister of Public Security any information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.

Original signed by

Brad Pickering
Deputy Solicitor General
and Deputy Minister of Public Security
September 14, 2009

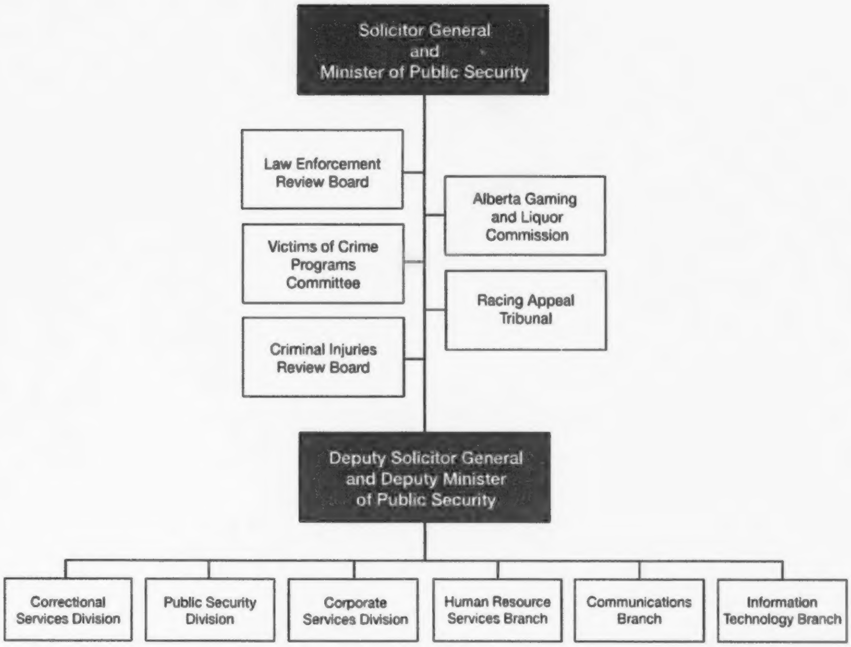


Alberta Sheriff providing protection services

Overview

Ministry of Solicitor General and Public Security Operational Overview

Figure 1
Organizational Chart


Solicitor General and Minister of Public Security
Law Enforcement Review Board
Alberta Gaming and Liquor Commission
Victims of Crime Programs Committee
Racing Appeal Tribunal
Criminal Injuries Review Board
Deputy Solicitor General and Deputy Minister of Public Security
Correctional Services Division
Public Security Division
Corporate Services Division
Human Resource Services Branch
Communications Branch
Information Technology Branch

Department of Solicitor General and Public Security Divisions & Branches

Operational Divisions

Correctional Services Division
Administration of the *Corrections Act, Correctional Institution Regulation, Designated Correctional Institutions Order, Fine Option Order, Youth Justice Act* and *Youth Justice Designation Regulation*, and the federal *Prisons and Reformatories Act* and *Youth Criminal Justice Act*, including pre-trial supervision, community and custody sentences, alternative sanctions, and rehabilitation programs.

B. Anderson, Assistant Deputy Minister
Phone: 780.427.3440
Fax: 780.427.5905
E-mail: bruce.v.anderson@gov.ab.ca

Public Security Division
Administration of the *Police Act, Private Investigators and Security Guards Act, Peace Officer Act*, and *Victims of Crime Act*, including oversight and governance of police, integrated policing initiatives, provincial policing standards, municipal policing grants, crime prevention and restorative justice initiatives, and victims' programs. The division provides court and prisoner security, traffic safety enforcement, warrant apprehension, surveillance support and manages counter-terrorism security information.

B. Meade, Assistant Deputy Minister
Phone: 780.427.7952
Fax: 780.427.1194
E-mail: bill.meade@gov.ab.ca

Supporting and Co-ordinating Divisions and Branches

Corporate Services Division
Strategic leadership, advice and support in the areas of: financial services; business services; planning and reporting; policy and legislation; freedom of information and protection of privacy; and records management. The department's Staff College provides enforcement-based education and training, adult-learning curriculum design and analysis, operational research and leadership development. The division also oversees the administration of the Law Enforcement Review Board and Criminal Injuries Review Board.

J. Bauer, Assistant Deputy Minister
Phone: 780.422.1033
Fax: 780.427.2789
E-mail: jim.bauer@gov.ab.ca

Information Technology Branch
Information and communication technologies and automated business applications. Cross-agency solutions that support interoperability between public safety service providers.

A. Janmohamed, Acting Chief Information Officer
Phone: 780.644.3171
Fax: 780.415.2887
E-mail: ayaaz.janmohamed@gov.ab.ca

Human Resources Services Branch
Employee/labour relations, staffing, compensation, organizational design, job evaluation, training and development, occupational health and safety, and health and wellness initiatives.

B. Fulgham, Executive Director
Phone: 780.427.9617
Fax: 780.422.9639
E-mail: brigitte.fulgham@gov.ab.ca

Communications Branch
Strategic communications, issues management and media relations.

S. Lopatka, Acting Director
Phone: 780.427.6153
Fax: 780.427.0771
E-mail: sharon.lopatka@gov.ab.ca

Agencies, Boards, and Commissions

The following agencies, boards and commissions are part of the Ministry of Solicitor General and Public Security:

Alberta Gaming and Liquor Commission (AGLC)

The AGLC, a Crown commercial enterprise and agent of the Government of Alberta, operates under the authority of the *Gaming and Liquor Act*. Its structure includes:

- A seven-member board that is appointed by the government and reports directly to the Solicitor General and Minister of Public Security. As part of its responsibilities, the board approves gaming and liquor policy to ensure Alberta's gaming and liquor industries are well-regulated and managed on behalf of the people of the province.
- Management that directs the ongoing operations of the organization. The Chief Executive Officer directs the operations of the AGLC and is supported by an eight-member executive team.

The AGLC's role, through its board and management, is to administer the *Gaming and Liquor Act* and Regulation and related policies. The AGLC is responsible for regulating Alberta's charitable gaming activities and for conducting and managing provincial gaming activities. It also controls the manufacture, importation, sale, purchase, possession, storage, transportation, use and consumption of liquor in Alberta.

In managing its responsibilities, the AGLC continually assesses and balances revenue generation with the responsible provision of gaming and liquor.

The AGLC publishes a separate annual report that includes an overview of its activities, performance measure results and audited financial statements. Copies are available online at www.aglc.ca.

G. McLennan, Chief Executive Officer
Phone: 780.447.8821
Fax: 780.447.8950
E-mail: gerry.mclennan@aglc.ca

Criminal Injuries Review Board

This board hears requests for reviews concerning the financial benefits paid to victims of crime under the *Victims of Crime Act*. It may request persons with specialized knowledge to assist with a review and has the power to confirm or vary decisions made by the director.

Dr. P.B.R. Allen, B.Sc, M.D., Chair
Phone: 780.427.7330
Fax: 780.427.7347

Law Enforcement Review Board

An independent, quasi-judicial body established under the *Police Act*, this board hears appeals from citizens who have filed a complaint regarding the actions of a police officer and who are not satisfied with the disposition of their complaint. Police officers who have been the subject of discipline arising out of a complaint may also appeal to the board. Also conducts hearings on appeals from private investigators or security guards who have had their licences refused and from special constables regarding the cancellation of their appointments.

J.E. Phillips, Chair
Phone: 780.422.9376
Fax:780.422.4782

Racing Appeal Tribunal

The Racing Appeal Tribunal is established under the *Horse Racing Alberta Act* and consists of members appointed by the minister. The tribunal hears appeals under the *Act* arising from rulings or directions of horse racing officials. The tribunal's costs are borne by Horse Racing Alberta. More information on the Racing Appeal Tribunal can be found in the *Horse Racing Alberta Annual Report*.

Dr. M. Fulford, Chair
Phone: 780.415.5432
E-mail: reception@thehorses.com
Toll free: 1.888.553.7223

Victims of Crime Programs Committee

This committee is appointed by the minister to make recommendations on grant applications, and to provide information with respect to programs and services that assist victims of crime.

T. Blair, Chair
Phone: 780.427.3460
Fax: 780.422.4213

2008-2009 Key Activities

In 2008-09, Alberta Solicitor General and Public Security delivered its mandate through five core businesses:

1. Law Enforcement and Crime Prevention.
2. Custody, Supervision and Facilitation of Rehabilitative Opportunities for Offenders.
3. Protection Services for Officials, Facilities and Infrastructure.
4. Victims Programs and Services.
5. Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility.

Core Business 1: Law Enforcement and Crime Prevention

The ministry provides oversight for policing and law enforcement throughout the province; provides a provincial police service through the Royal Canadian Mounted Police (RCMP); assists municipalities with their policing costs through municipal policing assistance grants; and develops, supports, and delivers programs that target critical criminal activity pressures. The ministry also works with communities, other provincial ministries, and other levels of government to support integrated crime prevention and community safety programs.

The changing landscape of criminal activity and provincial population growth have contributed to increases in the total number of criminal incidents and the occurrence of certain types of crime, including production and sale of drugs, gangs, internet crime, identity theft, and domestic violence. The ministry has responded to these challenges with innovative approaches and additional resources for policing and law enforcement partnerships to address contemporary criminal activity pressures.

In 2008-09, the ministry provided additional funding to Alberta communities to add 100 front line police officers, as well as additional support to the RCMP provincial police service for support and policing positions to keep pace with Alberta's population growth. The ministry also enhanced support for the Alberta Law Enforcement Response Teams (ALERT) to combat organized and serious crime. ALERT is a model of collaboration and integration among law enforcement agencies that has resulted in thousands of criminal charges related to organized crime, child exploitation, drug operations, and domestic violence.

The ministry jointly led the Alberta Gang Crime Strategy Initiative to reduce the influence of gangs and gang crime and violence. A provincial Gang Crime Summit in 2009-10 will result in strategies focused on prevention, intervention, enforcement and awareness. Alberta also worked cooperatively with other western provinces to tackle organized crime and gang violence.

Alberta Sheriffs continued to support and supplement policing activities through traffic enforcement, investigative support and warrant apprehension. Sheriff traffic operations received additional resources to enhance efforts to make provincial highways safer. Traffic operations personnel issued more than 114,000 violations in 2008. The Sheriffs Investigative Support Unit provided assistance in 113 cases, and the Fugitive Apprehension Sheriffs Support Teams cleared 1,189 warrants by arresting 334 fugitives.

The ministry's business case for investments in technology to enhance the integration and interoperability of law enforcement agencies was supported by the province in 2008-09. Funding was approved to proceed with a Request for Proposal for a provincewide radio communication system for enforcement agencies and first responders. The Alberta First Responders Radio Communication System will connect various law enforcement agencies (provincial, federal and municipal), government departments and first responders in order to exchange timely, accurate and relevant information. A new integrated law enforcement information system is also being developed, that will improve the effectiveness of police work and result in improved public and officer safety.

The ministry also continued development of a law enforcement framework to ensure effective coordination of federal, provincial and municipal enforcement and public security agencies, including police, sheriffs, community peace officers, and private security providers. The framework will jointly address the dimensions of service delivery, governance and funding.

The ministry continued to address public expectations for greater enforcement accountability. Amendments to the *Police Act* regulations improved existing processes for investigating police misconduct. The ministry also worked with the RCMP toward an ongoing mechanism for community input into provincial policing priorities. Further progress was made with the drafting of new legislation, the *Security Services and Investigators Act*. This new legislation is designed to ensure an effective level of professionalism and accountability for those working in the private security industry. The bill received Royal Assent on December 2, 2008. A proclamation date bringing the *Act* into force has not been set.

The ministry participated in partnerships focusing on social issues, as part of efforts to address root causes and societal impacts of crime and criminal activity. Community crime prevention programs supported non-profit, community, and Aboriginal organizations to prevent crime, make communities safer, seek meaningful solutions to justice issues, and provide responsive services.

Implementation of the recommendations from the Crime Reduction and Safe Communities Task Force enabled the ministry to actively participate in the province's integrated approach to crime prevention. Funding from the Safe Communities Secretariat supported additional policing resources, additional probation officers and more intensive supervision of high-risk offenders, enhanced access to specialized services for offenders, and enhanced training of staff in new offender management tools. Passage of the *Safe Communities and Neighbourhoods Act* (SCAN) improved community safety by targeting properties used for criminal activities. The ministry's SCAN investigative units were established in October 2008 and had investigated more than 250 complaints by March 31, 2009.

Further implementation of the Crime Reduction and Safe Communities Task Force recommendations will result in additional progress in addressing enforcement, crime prevention and treatment/intervention over the next several years.

During 2008-09, the Aboriginal Justice Initiatives Unit, which works with Aboriginal communities and organizations to develop justice initiatives promoting safe communities, was transferred to the Ministry of Aboriginal Relations. This move will allow the unit to work with all other government ministries to support the development of programs and policies that affect Aboriginal people in Alberta. Placing this branch in the Aboriginal Relations ministry will improve the branch's ability to provide strategic advice to multiple departments and agencies and increase the coordination of relationship-building efforts.

Core Business 2: Custody, Supervision and Facilitation of Rehabilitative Opportunities for Offenders

The ministry provides trained staff and appropriate custody and community facilities and services to ensure that inmates/offenders are securely held in custody, safely transported, and appropriately supervised in the community. The ministry also ensures that offenders have access to rehabilitative services and supports to promote positive and productive behaviour.

The ministry continues to respond to the ever-changing characteristics of inmate/offender populations, both in custody and under supervision in the community. There continues to be more gang-affiliated inmates/offenders and an increasing number with physical health challenges and mental health issues. In 2008-09, implementation of the Crime Reduction and Safe Communities Task Force recommendations included funding for an additional 50 probation officers to provide more intensive supervision to high-risk offenders. A targeted program for high-risk offenders was also launched and is an example of a best practice in managing offender populations. Other innovative solutions included expansion of the electronic monitoring program, and enhanced staff training to implement evidence-based practices such as motivational interviewing, direct supervision, and new offender risk and needs assessment tools.

Implementing best practices for managing custody and community supervision populations is a key component of the *Blueprint for the Future of Corrections*. This long-term plan to address the changing corrections landscape was completed in 2007-08. Implementation is ongoing and includes the development of integrated information technology systems. The Corrections System Renewal Initiative, launched in 2008-09, will introduce a fully integrated offender information management system and other leading-edge technologies.

Pressures associated with the rising remand population were addressed by housing selected provincially sentenced offenders at federal facilities. Construction of the new Edmonton Remand Centre moved forward in 2008-09, representing a long-term solution to overcrowding in the provincial correctional system. This new facility, with the capability of accommodating almost 1,944 inmates, is anticipated to be complete by the end of 2011.

Various initiatives are underway to identify opportunities to enhance inmate/offender access to educational and health services, and to address the increasing demand for integrated services for the multiple issues affecting the reintegration of offenders into society. A review of educational and rehabilitation programming for adult inmates was completed late in 2008-09; work plans to guide future program delivery are expected in 2009-10. The ministry worked with Alberta Health and Wellness and Alberta Health Services to address inmates' access to addictions and specialized medical and mental health services and programs. Continuity of care upon return to the community is an area for continued collaboration. The ministry will also continue to work with other ministries and service providers to enhance support programs for young offenders, youth in transition, and high-risk youth.

Core Business 3: Protection Services for Officials, Facilities and Infrastructure

The ministry provides security for elected officials, government-owned property and operations, including court and legislative security. It is also responsible for management of counter-terrorism security information and crisis management, in co-ordination with government and industry partners and stakeholders.

The global nature of terrorism continues to evolve and the ministry worked closely with its law enforcement, government and private industry partners on security and emergency preparedness.

Implementation of the province's comprehensive provincial court security plan was completed in 2008-09, supported by an increase in funding and additional staff. Perimeter security screened more than 1.6 million members of the public and confiscated more than 7,000 prohibited items.

The Alberta Security and Strategic Intelligence Support Team (ASSIST) led the development of a revised counter-terrorism crisis management plan, emphasizing the use of intelligence to identify, mitigate or prevent security threats before they occur. ASSIST continued to build partnerships and focus on value-added crisis management services, including protection of energy infrastructure and cross-border information exchange.

The ministry will continue to work with a diverse set of stakeholders, including private industry, governments, first responders, and law enforcement and intelligence agencies, to meet ongoing challenges related to the protection of elected officials, facilities and infrastructure.

Core Business 4: Victims Programs and Services

The ministry ensures that eligible victims of crime receive prompt financial benefits and provides grants and other support for services and organizations that address the needs of victims of crime. Results for this core business also address the recommendations from the 2002 *MLA Report of the Alberta Victims of Crime Consultation* for a more meaningful role for victims in the criminal justice process.

In 2008-09, the victims program areas continued to address increasing demand for services and to enhance victims' awareness of and access to available programs. In 2008-09, an additional benefit was introduced for victims of crime with severe brain injuries and quadriplegia resulting from violent crime. The new benefit of $1,000 per month is in addition to lump-sum awards from the Victims Financial Benefits program. This program awarded more than $11.6 million in financial benefits in 2008-09, an increase of 19.5 per cent compared to the previous year.

The ministry also provided additional funding support for police and community-based organizations that provide services to assist victims of crime. Albertans in all parts of the province now have access to a police-based victim service unit. The ministry participated in pilot projects to increase victim services in Aboriginal communities and provided ongoing support to on-reserve units established in 2007-08.

There was continued support for initiatives to enhance access to information about victim services. The *Victims of Crime Protocol* addresses several recommendations from the 2002 *MLA Report of the Alberta Victims of Crime Consultation*. By the end of March 2009, implementation of the report's accepted recommendations reached 76 per cent. Ongoing implementation will include a three-year evaluation of the *Victims of Crime Protocol*, launched in August 2008.

Core Business 5: Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility

The ministry, through the Alberta Gaming and Liquor Commission, is responsible for licensing and regulating liquor activities; licensing and regulating charitable gaming activities; and conducting and managing provincial gaming activities (ticket lotteries and electronic gaming).

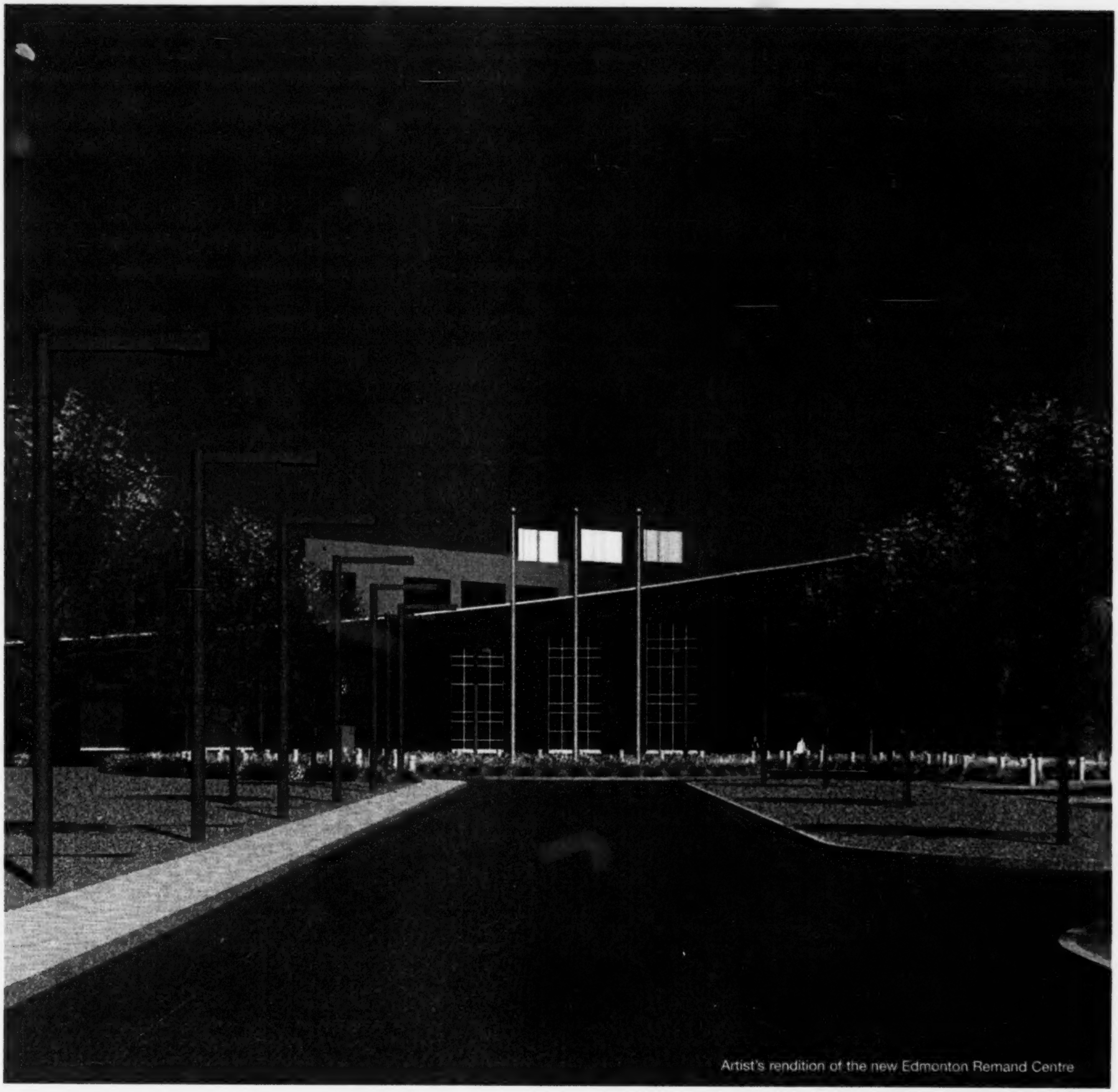
To meet these responsibilities, sound policy and effective regulation must work hand in hand with monitoring and enforcement. This means a commitment to working in partnerships with charities and private businesses to deliver high quality services to the public. It also means a continued commitment to excellence, openness and accountability.

The most significant challenges related to the liquor and gaming industries are ensuring gaming and liquor sustainability for Alberta; providing and protecting Albertans' choices; and ensuring the responsible provision of alcohol and gaming entertainment.

For 2008-09, some significant accomplishments were:

- introducing new rules and established the Safer Bars Council to improve bar safety;
- maintaining stability within the liquor supply chain and reviewed options for the future of the physical network;
- improving access to education/training programs about social responsibilities and duty of care obligations for gaming and liquor industry personnel;
- providing over $1.5 billion to the Alberta Lottery Fund from gaming activities; and
- providing $685 million to government revenues from liquor sales.

Further details of the AGLC's 2008-09 accomplishments are included under Core Business 5 in this report and in the *AGLC 2008-09 Annual Report*, available at www.aglc.ca



Artist's rendition of the new Edmonton Remand Centre

Results Analysis

Message from the Deputy Minister

Alberta is moving forward in a time of uncertainty. As we adapt to changing realities and fiscal situations, certain things have remained constant: Albertans' need for safe and secure communities and the continued demands on law enforcement, corrections and victim services.

Our 2008-09 annual report reflects initiatives by Solicitor General and Public Security to meet those demands and make Alberta communities safer.

To help us better respond to the challenges of a growing inmate population, we continued construction on a new $620 million remand centre in Edmonton. Once completed, this 1,944-bed facility will help ease population pressures in adult correctional facilities. We also continued planning for the future of correctional services in Alberta by adopting best practices for managing inmate/offender populations; enhancing staff training for effective supervision; engaging key stakeholders in discussions about transferring the delivery of inmate health care to Alberta Health Services; and enhancing support for young offenders and youth in transition.

In response to the Crime Reduction and Safe Communities Task Force report, this ministry implemented several recommendations including adding 100 new police officers as part of Budget 2008, with a commitment for 200 more over the next two years; creating four new dedicated gang enforcement teams across Alberta; hiring 50 new probation officers and working on a gang crime suppression strategy focusing on awareness, prevention, intervention and enforcement.

Work continued on a provincewide radio communication system to better coordinate first-responder agencies (police, fire, emergency medical services) during a serious incident or natural disaster. A new integrated law enforcement information system is also being developed that will improve public safety, officer safety and the effectiveness of police work in Alberta. The system will allow police officers from across Alberta to input and extract information from a shared database.

This ministry began consulting with its stakeholders on the creation of a new Law Enforcement Framework to meet the changing needs of our communities and address the challenges facing policing. The new Framework will aim to improve public accountability, modernize service delivery, and create equitable funding models.

We continued to support and work in partnership with community and police-based organizations to provide services to victims of crime. We improved governance and accountability in victim service organizations and expanded access to and information about services available for victims of crime.

Building on momentum gained from previous years, we expanded court security, promoted crime prevention and restorative justice initiatives, and supported Youth Justice Committees in communities throughout Alberta.

2008-09 saw our department's strong working relationship with the Alberta Gaming and Liquor Commission (AGLC) continue. Through the AGLC, we will continue to ensure the gaming and liquor industries operate with integrity and social responsibility.

Solicitor General and Public Security staff show exceptional professionalism and dedication to this ministry's goals and to ensuring Albertans live in safe communities. The accomplishments in this report highlight that commitment, and I thank staff for their excellent work.

Original signed by

Brad Pickering
Deputy Solicitor General
and Deputy Minister of Public Security

Auditor General's Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in the Ministry of Solicitor General and Public Security *2008-09 Annual Report*. These performance measures are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's *2008-09 Annual Report* are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
August 25, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Results Discussion and Analysis

Operating Results

Table 1
Revenues ($ thousands)

	2008-09 Budget	2008-09 Actual	2007-08 Actual
	$ 2,254,292	$ 2,263,558	$ 2,361,693

Budget to Actual

Ministry revenues in 2008-09 were $9.3 million higher than budgeted. This was primarily due to higher than expected revenues of $3.9 million in liquor related revenues, $4.7 million in investment income and $1.0 million higher than budgeted transfers from the Government of Canada. Other revenues were $4.6 million higher than budgeted, which included $1.5 million for Provincial Fines Surcharges, recovery of $0.7 million for Enhanced Policing Services, and $2.3 million higher miscellaneous revenues. The surplus revenues were offset by $4.9 million lower than expected lottery revenues due to the economic downturn.

Actual to Actual

Total revenue decreased by $98 million or 4 per cent to $2.26 billion in comparison to 2007-08 revenues of $2.36 billion. The decrease is primarily related to $103.7 million lower lottery revenues due to the current economic downturn and reduced consumer optimism. Investment income decreased by $6.7 million mainly due to lower interest rates. This was offset by an increase of $6.2 million in liquor sales, $1.2 million higher transfers from Government of Canada and increased other revenues of $4.8 million that included $2.3 million for Provincial Fines Surcharges, recovery of $1.0 million for Enhanced Policing Services, and increased miscellaneous revenues of $1.5 million.

Table 2
Expenses ($ thousands)

2008-09 Budget	2008-09 Actual	2007-08 Actual
$ 2,103,637	$ 2,099,711	$ 2,145,982

Budget to Actual

Ministry expenses were $3.9 million under the original budget of $2.1 billion.

The under-expenditure is primarily due to a decision to delay the use of the Federal Recruitment Fund to the next year ($8.5 million), as well as lower than expected expenditures due to vacancies and delayed program implementation for Sheriffs ($4.3 million) and a delay in the development of the First Responders Radio Communications system ($3.5 million). This was offset by $7.7 million higher than budgeted expenditures for the Provincial Police Service Agreement to address inflationary pressures and hire new officers, as well as $3.0 million higher expenditures related to the reprofiling of the Strategic Information Technology Initiative and $1.5 million higher expenditures to address pressures, such as additional recruit training in correctional institutions.

Actual to Actual

Ministry expenses were $46.3 million or 2 per cent lower than in the previous year. The under expenditure was mainly due to $110.2 million lower Lottery Fund payments than in the prior year due to lower lottery revenues.

The under expenditures were primarily offset by increased:

- Public Security Division expenditures of $35.2 million that included: $17.8 million for the Provincial Policing Services Agreement (new RCMP positions, inflationary pressures, lower vacancy rate and enhanced policing services agreements); $6.9 million payment for the first year of the Premier's initiative of adding 300 police officers over three years; $10.6 million which included $4.5 million for salary settlements and the remainder for additional staff in areas such as Court & Perimeter Security and Traffic Sheriffs; $3.3 million for new and existing programs that are now operational (Safe Communities and Neighbourhoods program and Alberta Serious Incident Response Team); and $1.3 million for Municipal Policing Assistance Grants. These were offset by $4.5 million lower payment to Alberta Law Enforcement Response Teams.
- Correctional Services Division expenditures of $19.7 million that included, $17.5 million for salary settlements, as well as $2.2 million increased supplies and services costs for new programs in Community Corrections and one-time costs due to closure of Grande Prairie Young Offender Centre.

- Victims of Crime Fund expenditures of $6.0 million primarily related to an increase in grants for victim services programs resulting from a new funding formula ($3.6 million), higher financial benefits payments ($2.1 million), as well as costs related to the awareness campaign and salary settlements.
- Ministry Support Services expenditures of $3.5 mainly due to $2.2 million in manpower costs for salary settlements, and $1.1 million increased amortization costs due to capital asset purchases and prior year work in progress projects becoming operational.

The Results Analysis section provides an integrated examination of the ministry's results for the past year, including key challenges, activities and accomplishments, performance measures, and financial results. It is organized according to core businesses and goals outlined in the ministry's 2008-2011 business plan. Table 3 summarizes the ministry's expenses by function.

Table 3

Ministry of Solicitor General and Public Security 2008-09 Expense by Function ($ thousands)

Function	2008-09 Budget	2008-09 Actual	2007-08 Actual
Protection of Persons and Property	$ 555,862	$ 552,420	$ 494,957
Recreation	1,600	1,560	1,555
Social Services	25,357	25,175	18,642
Lottery Fund Payments			
Aboriginal Justice	78,200	102,075	56,121
Advanced Education & Technology	101,591	101,591	104,043
Agriculture & Rural Development	22,220	22,220	22,220
Children & Youth Services	63,500	63,500	55,500
Culture & Community Spirit	475,467	456,818	378,970
Education	129,100	129,100	129,100
Employment & Immigration	11,987	11,987	12,769
Environment	500	500	500
Health & Wellness	260,495	260,495	279,497
Municipal Affairs	26,000	26,000	26,000
Tourism, Parks and Recreation	95,470	95,470	113,970
Transportation	195,000	195,000	175,000
Finance & Enterprise	61,288	55,800	277,138
Ministry Expense	$ 2,103,637	$ 2,099,711	$ 2,145,982

Table 4 summarizes the ministry's expenses by Core Business for 2008-09. More detailed financial results are included under each core business, as well as in the Financial Results section of this annual report.

Table 4

Ministry of Solicitor General and Public Security 2008-09 Expense by Core Business ($ thousands)

Core Business	2008-09 Budget	2008-09 Actual	2007-08 Actual
1. Law Enforcement and Crime Prevention	$ 283,087	$ 279,849	$ 255,038
2. Custody, Supervision and Rehabilitative Opportunities for Offenders	215,117	218,846	196,149
3. Protection Services for Officials, Facilities & Infrastructure	56,427	52,453	42,849
4. Victims Programs and Services	26,588	26,446	19,563
5. Alberta's Liquor and Gaming Industries Operate in a Socially Responsible Manner	1,522,418	1,522,117	1,632,383
Ministry Expense	$ 2,103,637	$ 2,099,711	$ 2,145,982

Core Business 1
Law Enforcement and Crime Prevention

Core Business 1 promotes safe communities through effective policing, law enforcement, and integrated crime reduction strategies. The ministry also provides oversight for policing and law enforcement in Alberta, integrated policing and law enforcement initiatives, and local crime prevention and community safety programs.

Results for law enforcement and crime prevention for 2008-09 include:

- more police officers for Alberta communities;
- enhanced law enforcement and partnerships;
- Alberta Sheriffs contributing to safer highways and communities;
- increased agency interoperability;
- revised law enforcement framework for Alberta;
- public oversight and accountability;
- community crime prevention; and
- integrated crime reduction (SafeCom).

Budget to Actual

Actual expenditures of $279.8 million for Core Business 1 were lower than the budget of $283.0 by $3.2 million. The surplus was primarily due to a decision to delay the use of the Federal Recruitment Fund to the next year ($8.5 million), as well as a delay in the development of the First Responders Radio Communications system ($3.5 million). This was offset primarily by approved spending increases of $7.7 for the Provincial Police Service Agreement (inflationary pressures and lower vacancy rate), as well as additional spending to combat organized and serious crime.

Actual to Actual

Compared to 2007-08, actual expenditures for Law Enforcement and Crime Prevention increased by $24.8 million to $279.8 million. This was primarily due to $17.8 million for the Provincial Policing Services Agreement (new RCMP positions, inflationary pressures, lower vacancy rate and enhanced policing services agreements) and $6.9 million payment for the first year of the Premier's initiative of adding 300 police officers over three years.

Table 5
Ministry 2008-09 Expenses for Core Business 1 ($ thousands)

Core Business	2008-09 Budget	2008-09 Actual	2007-08 Actual
Law Enforcement and Crime Prevention	$ 283,087	$ 279,849	$ 255,038

GOAL 1 **Linked to Core Business 1 – Law Enforcement and Crime Prevention**

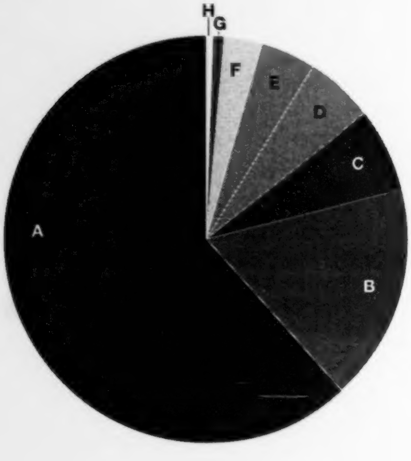
Leadership for effective and innovative law enforcement

This business plan goal includes strategies for effective policing, partnerships for municipal and First Nations police services, support for policing activities through the Alberta Sheriffs program, and the continuation of the Provincial Policing Service Agreement with the federal government for RCMP services. The ministry provides oversight and governance of policing and law enforcement activities across Alberta. It also addresses critical criminal activity pressures through technology initiatives to enhance interoperability among enforcement activities.

Results for Goal 1 for 2008-09 include:

- more police officers for Alberta communities;
- enhanced law enforcement and partnerships;
- Alberta Sheriffs contributing to safer highways and communities;
- increased agency interoperability;
- revised law enforcement framework for Alberta; and
- public oversight and accountability.

Figure 2
Goal 1 Program Expenses ($ millions)



A = Provincial Policing Agreement ($172.0)
B = Policing Assistance to Municipalities ($47.9)
C = Organized & Serious Crime ($18.1)
D = Provincial Policing Programs ($16.0)
E = Sheriff's Traffic Operations ($12.1)
F = First Nations Policing ($8.5)
G = Sheriff's Investigative Support ($2.3)
H = Fugitive Apprehension Sheriff's Support Team ($1.1)

More Police Officers for Alberta Communities

The ministry ensures effective policing for Alberta communities through agreements with the RCMP and the federal government, and through policing grants to municipalities that provide their own policing services.

The RCMP provides the provincial police service in Alberta through the Provincial Policing Service Agreement (PPSA), a contract between Alberta and Canada. Through the PPSA, the RCMP provides community policing for rural areas of the province, including Métis Settlements and municipalities with populations under 5,000. The RCMP also provides provincewide specialized support services to municipalities that contract them for municipal police services. Alberta Solicitor General and Public Security is leading several provincial and territorial working groups charged with the negotiation and renewal of the RCMP contract for the provision of provincial policing services in Alberta by April 1, 2012.

Municipal Policing Assistance grants provide financial assistance to eligible municipalities to provide police services, as well as assistance to implement provincial initiatives. Cost-sharing agreements with the federal government support culturally relevant and effective policing in Aboriginal communities.

In 2008, the Government of Alberta announced long-term investments to support key recommendations from the Crime Reduction and Safe Communities Task Force (see Goal 2). As part of this overall funding to support safe communities, Budget 2008 included $7 million to add 100 front-line police officers to help ensure that Alberta neighbourhoods and communities will be safe. The government also committed separate funding of $3.2 million to the RCMP provincial police service for more support services and policing positions to keep pace with Alberta's population growth.

The ministry consulted with law enforcement agencies and municipalities to develop criteria for determining the allocation of new police officers. Police services received additional funding if they:

- were fully staffed;
- could provide a business case outlining how and where the new officers would be used; and
- demonstrated the capacity to hire and train new officers.

Last year, the ministry had contributed $1.2 million toward a three-year, provincewide recruitment initiative to benefit all police services in Alberta. In September 2008, Alberta Career Opportunities in Police Services (COPS), led by the Edmonton Police Service was launched. COPS is a peer-to-peer marketing strategy through post-secondary institutions to increase awareness of policing as a profession among youth. The first phase was completed in December 2008. Three post-secondary institutions were selected to compete for a scholastic achievement award. The Solicitor General and Minister of Public Security participated on the selection panel along with representatives from the RCMP, the Calgary Police Service and the Edmonton Police Service. The second phase began in January 2009, with five post-secondary institutions across Alberta participating. In April 2009, Lethbridge College was announced as the winner of the scholastic achievement award competition.

Policing in Alberta

Contract Policing is the provision of police services to municipalities by the RCMP through a Municipal Policing Agreement with the federal government.

The **Provincial Police Service Agreement** (PPSA) between the province and Public Safety Canada establishes the RCMP as the provincial police. The PPSA requires the Solicitor General to set the objectives, priorities and goals of the Provincial Police Service, which are then implemented by the Commanding Officer of RCMP "K" Division.

Complementary law enforcement services are provided by peace officers (including Sheriffs) to support operational policing within jurisdictions covered by the RCMP and municipal police services. These complementary services include prisoner transport, surveillance, and traffic enforcement.

First Nations are policed by the RCMP Provincial Police Service unless other arrangements are made under section 5 of the Alberta *Police Act*. Eighteen First Nation communities in Alberta have policing agreements with Alberta and Canada. A **Tripartite Agreement** permits the creation of a First Nations police service operating only on reserve. Examples include the Blood Tribe, North Peace Tribal Council, Tsuu T'ina Nation, and Lakeshore Regional Police Service.

Additional Front-Line Policing for Alberta Communities

Budget 2008:

100 additional front-line police officers

Calgary Police Service: 41 officers
Edmonton Police Service: 35 officers
Medicine Hat Police Service: 3 officers
Taber Police Service: 1 officer
RCMP-Municipal Contract Positions: 20 officers

Enhanced Law Enforcement and Partnerships

The province established the Alberta Law Enforcement Response Teams (ALERT) to oversee provincewide initiatives directed at critical criminal activity pressures, including organized crime, child exploitation, drug operations, and domestic violence. ALERT provides strategic direction and targeted funding to disrupt and dismantle organized and serious crime. It is an example of a sustained, collaborative partnership within the law enforcement community.

ALERT comprises seven partner agencies including the RCMP. In 2008-09, 216 law enforcement personnel were involved in ALERT activities, of which 150 were supported directly through funding provided by the Ministry of Solicitor General and Public Security. A civilian board of directors provides representation from across Alberta and advisory and management teams represent municipal, provincial, and federal policing interests. ALERT reports to the Solicitor General and Minister of Public Security but operates at arm's-length from the provincial government.

ALERT provides support and coordination for 19 operational units. These units, with specific roles in fighting organized and serious crime, include:

- The **Criminal Intelligence Service Alberta (CISA)**, which works with other intelligence units to collect, evaluate and disseminate information about organized crime.
- The **Integrated Response to Organized Crime (IROC)** unit, which is dedicated to high-level organized crime and drug targets.
- The **Enhanced Response to Organize Crime Enforcement (EROC)** units, which are dedicated to investigating gang activity and clandestine drug labs linked to criminal networks, and conducting undercover drug operations.
- The **Integrated Child Exploitation (ICE)** unit, which is responsible for keeping Alberta's children safe from on-line predators.
- The **Alberta Relationship Threat Assessment and Management Initiative (ARTAMI)**, which is a multidisciplinary team of professionals who provide threat management advice in situations involving relational violence and criminal harassment.
- Other integrated initiatives to combat the drug trade and other types of criminal gang activity.

These units were brought together to develop a collaborative, integrated policing vision and coordinate overall strategic direction for disrupting and dismantling organized and serious crime in Alberta. The ALERT structure also eliminates duplication, enhances operational and financial accountability, and provides a level of civilian oversight.

ALERT supports collaboration among law enforcement agencies in combating organized and serious crime. It has resulted in a more coordinated approach to investigations across the province and sharing of intelligence with enforcement units. ALERT is also working with the provinces of Saskatchewan and British Columbia to share intelligence to combat organized crime.

Alberta Police and Peace Officers' Memorial Day
Alberta Police and Peace Officers' Memorial Day takes place on the last Sunday of September and commemorates all of the Alberta police and peace officers killed in the line of duty.

The 10th annual Alberta Police and Peace Officers' Memorial Day Ceremony took place on September 28, 2008 at the Alberta Legislature Grounds.

This day coincides with the annual National Police and Peace Officers' Memorial Day ceremony on Parliament Hill in Ottawa.

Since 1876, 93 Police and Peace Officers have died in the line of duty in Alberta.

In October 2008, the province established four new dedicated enforcement teams to target individuals and gangs involved in the drug trade and other serious and violent crime. These teams, composed of RCMP and municipal police partners, are funded by $42.4 million in federal police funding and operate under the direction of ALERT.

During the 2008-09 fiscal year, ALERT targeted 54 groups or "subjects of interest" through intelligence investigations. Operational investigations resulted in 2,279 charges against 1,163 individuals. In excess of $84 million worth of drugs were seized as well as almost $1.5 million in cash.

In 2008-09, Integrated Child Exploitation Unit (ICE) charged 51 individuals with 180 offences. Some cases were national as well as international in scope. ICE assisted investigations in provincial, national, and international contexts with the Edmonton Police Service, the Calgary Police Service, the RCMP, the National Child Exploitation Coordination Center, Interpol, and the U.S. Department of Homeland Security.

New Resources to Combat Serious and Violent Crime

Edmonton and Area:
24 positions (Edmonton Police Service and RCMP)

Calgary and Area:
24 Positions (Calgary Police Service and RCMP)

Southern Alberta:
12 positions (Medicine Hat Police Service and RCMP)

Northern Alberta:
7 positions (RCMP)

Criminal Intelligence Service of Alberta:
14 positions (RCMP)

Integrated Child Exploitation Unit:
2 positions (RCMP)

In 2008-09, the Alberta Relationship Threat Assessment and Management Initiative (ARTAMI) had 127 new cases. ARTAMI conducted 31 formal threat assessments. These assessments are now being used in show cause hearings across the province. One investigation of serious stalking resulted in four charges of criminal harassment, and one investigation of a violent serial domestic offender resulted in 12 charges. ARTAMI also provided more than 57 training sessions to various government departments, police, judicial, and social service agencies.

Over the past year, Advanced Specialized Law Enforcement Training delivered 26 courses for 1,382 police officers in Alberta and received 101 requests for ALERT funding for external training. Ninety-four requests were approved, totalling $196,600. The majority of external funding was for specialized training to the ICE Units, the Drug Undercover Street Teams, and ARTAMI.

Family violence police training sessions provided participants from the RCMP, municipal and First Nation police services, crown prosecutors, court services, and community corrections with a contextual framework around family violence, along with information on the investigation and prosecution of domestic violence crimes. Sessions also included an introduction to the newly developed Family Violence Investigation Report (FVIR). The FVIR was created through the Family Violence Police Advisory Committee, based on research into best practices in different jurisdictions. The report was designed to raise the awareness among frontline responders of the dynamics, contributing factors, and unique characteristics of domestic violence and provide them with a checklist of factors to alert them to situations warranting follow-up action. Use of the FVIR is now considered mandatory in all situations involving violence or the threat of violence in intimate partner relationships.

The ministry also participated in the Alberta Gang Crime Suppression Initiative, a long-term cross-ministry initiative focused on reducing the influence of gangs and reducing gang crime and violence. Alberta Solicitor General and Public Security is jointly leading this initiative with Alberta Justice and Attorney General. An analysis of current approaches to dealing with criminal gang activity is underway, which will include development of recommendations for a provincial strategy. The strategy will be built upon the principles of integration, information sharing and unity of purpose, and will include prevention, intervention, enforcement and awareness. Elements of the strategy will be discussed and developed at a Summit on a Provincial Gang Reduction Strategy, to be held in Calgary in June 2009.

Alberta is also working with other western provinces to take action to tackle organized crime and gang violence in western Canada. In March 2009, Western Attorneys General and Solicitors General agreed to enhance interagency collaboration to identify and target gangs and organized crime. The Ministers also agreed to continue a strong provincial legislative approach and to share best practices.

Alberta Sheriffs Contributing to Safer Highways and Communities

The Alberta Sheriffs Program has been welcomed by the law enforcement community and Albertans. As of March 2009, Alberta Sheriffs were providing complementary support to police agencies in areas such as traffic safety, investigative support and warrant apprehension.

Alberta Sheriffs also contribute to safer communities by:

- enforcing the *Safe Communities and Neighbourhoods Act* (see Goal 2),
- providing secure offender transport (see Goal 3),
- providing court security services (see Goal 5), and
- contributing to the protection of officials, facilities and infrastructure (see Goal 5).

Results for the Alberta Sheriffs Program in support of Goal 1 included enhanced traffic safety, investigative support and warrant apprehension.

Making Alberta's Highways Safer

Motor vehicle collisions are the leading cause of death and injury among Alberta's youth.

Members of Sheriff Traffic Operations enforce the *Traffic Safety Act*, the *Gaming and Liquor Act* and the *Environmental Protection and Enhancement Act*. Sheriffs also have power under the *Criminal Code* to make arrests on outstanding warrants.

In cases of suspected impaired driving, Sheriffs call the police of jurisdiction to conduct an investigation. If local police are unable to attend, the *Traffic Safety Act* allows Sheriffs to issue 24-hour suspensions.

Enhanced Traffic Safety

Alberta Sheriff Highway Patrol was introduced in 2006 as part of efforts to make provincial highways safer. Budget 2008 included an additional $1.7 million to add 22 traffic sheriffs, for a total complement of 105 members. Sheriff highway patrol maintains regional offices in Calgary, Edmonton, Fort McMurray, Grande Prairie, Lethbridge, Medicine Hat, and Red Deer. A satellite sheriff office was established in Boyle in 2007, as a pilot project to improve enforcement along Highway 63. This office was opened on a permanent basis in August 2008.

Since the inception of the program in 2006, highway patrol sheriffs have issued more than 217,000 violations (see Table 6).

The rate of impaired driving, a *Criminal Code* traffic violation, increased by 14 per cent in 2008, reaching its highest point in a decade. Alberta reported the second highest rate of impaired driving in the country in 2008.

The ministry's annual Survey of Albertans included a new suite of questions on public perceptions concerning highway safety. Baseline results indicate that 93 per cent of survey respondents travel on Alberta's highways. These respondents (n=1,115 individuals) were asked how much they agreed or disagreed that the sheriff highway patrol services are making a positive difference on Alberta's highways. Approximately three-quarters (76 per cent) of those who travel on Alberta's highways agreed, including 28 per cent who strongly agreed and 48 per cent who somewhat agreed.

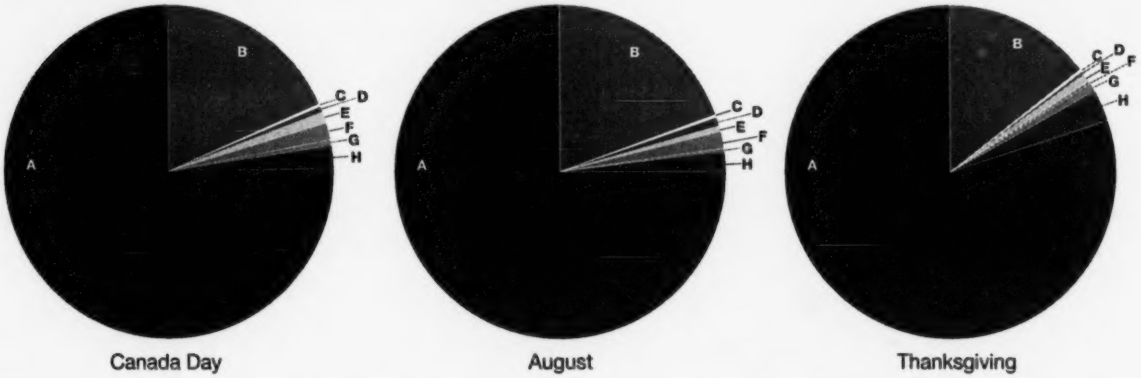
Table 6

Results from Alberta Sheriff Highway Patrol

Enforcement Statistics	2008 (fiscal year)	2007 (fiscal year)	Since program inception (September 1, 2006)
Total Violations	114,131	81,305	217,027
Total Collisions Attended	416	171	760
Suspected Impaired Drivers Removed from the Road	582	360	996
Traffic Service Requests from the Public	228	68	370

Figure 3

Alberta Sheriff Highway Patrol Long Weekend Results 2008



Canada Day **August** **Thanksgiving**

A = Speeding Violations **B** = Seatbelt Infractions **C** = Child Restraint Infractions **D** = *Gaming and Liquor Act* Violations
E = Failing to Stop at a Stop Sign Infractions **F** = Suspected Impaired Drivers Removed from the Road
G = People Arrested for Outstanding Arrest Warrants **H** = Other Violations

Traffic Fatalities and Injuries
The coordinated efforts of enforcement agencies, including Alberta Sheriff Highway Patrol, in support of the Alberta Traffic Safety Plan, are making the roads safer for all Albertans.

The number of traffic fatalities decreased by 10.5 per cent over the past year, from 458 fatalities in 2007 to 410 in 2008.

The number of traffic injuries decreased by 10.3 per cent over the last year, from 24,530 injuries in 2007 to 22,015 in 2008.

Source: Alberta Transportation – 2008 Alberta Traffic Collision Statistics

In February 2009, Alberta Sheriffs and the RCMP began collaborating on a pilot project to test four models of command and reporting structures for the delivery of traffic services. Strengths and weaknesses of each model will be evaluated to help determine the most effective way to enforce traffic safety on Alberta's highways. This project represents a continued strengthening of the working relationship between RCMP Traffic Services, Sheriff Highway Patrol and the Office of Traffic Safety, and this work will continue into 2009.

Sheriffs work with law enforcement agencies on Joint Forces Operations (JFOs), including highway enforcement programs. During the 2008 festive season (November 1 to December 31), Sheriff Traffic Operations was involved in 39 checkstops and 98 JFOs. The Enhanced Alberta Checkstop Program was a JFO with the RCMP, the Edmonton Police Service and Sheriff Traffic Operations, involving coordinated checkstops at locations surrounding Edmonton. Between December 2008 and March 2009, the program resulted in 15,808 vehicle stops. There were 799 charges laid, 145 vehicles impounded and 28 people arrested for outstanding arrest warrants.

During the fall 2008 hunting season, sheriffs participated in joint checkstops with Alberta Fish and Wildlife Officers. This project was intended to decrease conflicts between landowners and hunters during hunting season. It resulted in a reduced number of infractions, such as people entering private property without permission and people hunting from roadways.

Investigative Support

The Sheriffs Investigative Support Unit (SISU) supports police agencies by providing specialized surveillance, intelligence, evidence-gathering and investigation services. The SISU assists police agency investigative teams in making tactical operational decisions. The demand for SISU services remained high throughout 2008-09. The unit assisted in the investigation of 113 cases involving various criminal offences, including homicides, drug trafficking, child exploitation, robbery, fraud and theft. The evidence gathered by the SISU assisted in securing a number of criminal convictions in subsequent court proceedings.

Warrant Apprehension

The Fugitive Apprehension Sheriffs Support Teams (FASST) are dedicated solely to finding and arresting individuals with outstanding warrants who have evaded capture. The teams, based in Edmonton and Calgary, include five sheriffs who have undergone extensive training with Alberta's police services. In 2008-09, FASST sheriffs cleared 1,189 warrants by arresting 334 fugitives. FASST has had immediate impacts on community safety by targeting wanted criminals.

Increased Agency Interoperability

The ministry continues to encourage interoperability initiatives, including enhanced use of common technology. Information technology initiatives enhance the safety and security of Albertans by improving the ability of agencies to work together in gathering, sharing and communicating information.

Key interoperability initiatives in 2008-09 included:

- **The Alberta First Responders Radio Communication System**
  Development of a provincewide radio communication system continued over the past year. The system will connect law enforcement agencies, government departments and first emergency responders, enabling them to better coordinate and support each other during serious incidents or natural disasters. The system will be integrated with other technology initiatives, including those arising from the *Blueprint for the Future of Corrections* (see Goal 3). The federal government is contributing funding to this initiative as part of their responsibility to fund the RCMP.
- **The Alberta Police Integrated Information Initiative (API3)**
  Further progress was made on the API3 to provide all Alberta police agencies with common shared information systems delivered through a central service delivery organization. Approval was obtained from the Alberta Association of Chiefs of Police for information management processes and business and technical architectures. The API3 initiative will further the objectives of maximizing integration, collaboration and governance across municipal police forces, Alberta Sheriffs, and the RCMP in Alberta. The ultimate objectives of the API3 are intelligence-led policing and enhanced officer and public safety across the province.

Revised Law Enforcement Framework for Alberta

Law enforcement and public safety are the responsibility of a wide range of federal, provincial and municipal enforcement and public security agencies, including police services, community peace officers, sheriffs, specialized investigators and private security providers.

The ministry is leading initiatives to modernize the framework for law enforcement in Alberta. The current policing model has not kept pace with societal and technological changes. Individual police services have functioned independently and there is a need for more consistent oversight and governance practices. As part of the Premier's mandate, a new Law Enforcement Framework is under development, intended to coordinate policing services to maximize effectiveness and efficiency of service delivery. The new framework will modernize the organization and deployment of police services to better address the complexity of modern-day policing, meet the changing needs of communities, and address current challenges facing policing.

Objectives of the new law enforcement framework include maximizing flexibility at the community level while ensuring equitable access to certain specialized police services on a provincewide basis. Following up on the recommendations from the 2007 Roundtable on the Future of Policing, the new framework has focused on the dimensions of service delivery, governance and funding. The ministry developed a Law Enforcement Framework Discussion Paper in 2008-09, and undertook preliminary consultations with stakeholders. The discussion paper includes recommendations to modernize service delivery, enhance public accountability, and create equitable funding models. Further stakeholder consultations will be undertaken in 2009, followed by recommendations for a modernized law enforcement framework for consideration by the provincial government.

Public Oversight and Accountability

The ministry provides oversight and governance for policing and law enforcement activities. Oversight includes accountability to the public through civilian governance oversight mechanisms and is essential for maintaining public confidence in policing and law enforcement. Effective civilian oversight and governance of police ensure that the police service and its officers use their powers and authority in a manner reflecting respect for law and individual rights and freedoms.

There are various public oversight and governance mechanisms for police services in Alberta, including police commissions and policing committees. As part of the development of a new law enforcement framework, the ministry is working with policing stakeholders to adopt more consistent oversight and governance practices. The ministry is also working with the RCMP to establish an ongoing mechanism for all communities within provincial detachment jurisdiction to provide input into provincial policing priorities. This initiative addresses recommendation #23 from the Crime Reduction and Safe Communities Task Force (see Goal 2).

Amendments to the regulations under the *Police Act* in July 2008 resulted in changes to existing processes for investigating police misconduct:

- police chiefs have a wider range of disciplinary processes;
- officers involved in an investigation are now required to provide a statement;
- more than one form of discipline can now be imposed; and
- public complaint directors, representing the police commission overseeing the complaints process, can now attend disciplinary hearings arising from internal police complaints.

These regulatory changes are intended to improve fairness and timely handling of complaints. They were developed in consultation with police stakeholders, including the Alberta Association of Police Governance, the Alberta Association of Chiefs of Police, and the Alberta Federation of Police Associations.

Other mechanisms for enhancing public accountability of police services in Alberta include the Law Enforcement Review Board (LERB) and the Alberta Serious Incident Response Team (ASIRT). The LERB is an agency of the ministry and hears appeals from citizens and from police officers who have been subject to disciplinary actions.

The Alberta Serious Incident Response Team (ASIRT)
May be called upon to investigate matters involving police where the actions of an officer have resulted in serious injury or death, or other matters of a serious or sensitive nature.

ASIRT is headed by a civilian director, who may engage public overseers from the community to ensure independence in the investigative process.

The Law Enforcement Review Board (LERB)
An independent, quasi-judicial body established under the *Police Act*.

Hears appeals from citizens who are not satisfied with the disposition of their complaint against a police officer, and from police officers who have been the subject of disciplinary decisions.

Additional members were appointed to the LERB in 2008 to ensure a more timely review of cases.

ASIRT is an independent agency that investigates allegations of a serious or sensitive nature involving police. ASIRT has jurisdiction over all sworn police officers in the province. During 2008-09, ASIRT received 30 new files and concluded 14 others. The establishment of ASIRT will increase public confidence in policing and police oversight. ASIRT has led to a reduction in police service resources required to carry out these investigations, increasing the ability of police services to focus on community priorities.

In May 2008, the Sheriffs Branch Professional Standards Unit was formed to deal with public and internal complaints. By March 31, 2009 the Unit had received 56 compliments and 92 complaints. The latter included 38 formal, 35 informal, two policy and 17 employer-initiated complaints. Formal complaints involve receipt of written correspondence as per the *Peace Officer Act*. Informal complaints typically result from a telephone call, but are not followed up by formal written correspondence. Policy complaints are related not to the conduct of a sheriff, but to Sheriffs Branch policies (e.g., having to undergo perimeter security screening when attending a courthouse). Employer-initiated complaints involve a potential breach of a condition of the terms of a peace officer's appointment.

Over the past several years, the ministry has been working with law enforcement and public safety partners toward completion of a modernized legislative framework for law enforcement and public safety in Alberta. A new *Peace Officer Act*, proclaimed in May 2007, supports alignment with police services and contributes to the development of a comprehensive law enforcement framework for the province. In 2008-09, the ministry worked with employers of peace officers toward compliance with a common visual identity for uniforms and vehicle decals. The requirement for a common visual identity will come into effect on May 1, 2009.

Alberta's legislative framework was further strengthened with the new *Security Services and Investigators Act* in spring 2008. This new legislation resulted from a 17-month MLA Review of the former *Private Investigators and Security Guards Act*. The new *Security Services and Investigators Act* applies to investigators, security service workers, executive security workers, patrol dog handlers, locksmiths, automotive lock bypass handlers, loss prevention workers and security alarm responders. It modernizes the government's approach to the private security industry and integrates private security into the government's overall strategy for public safety. The *Act* received Royal Assent in December 2008. Stakeholder consultations on regulations and policy will be ongoing into 2009-10. Proclamation of the *Security Services and Investigators Act* and regulations is expected in 2010.

Performance Measures Reviewed by Auditor General

In prior years, the Office of the Auditor General applied specified procedures to all ministry performance measures included in the annual report. In the current year, the Office of the Auditor General conducted a limited assurance engagement (review) of a selection of performance measures that are identified in the annual reports as "Reviewed by Auditor General." The measures were selected for review by ministry management based on the following criteria established by government:

- enduring measures that best represent the goal and mandated initiatives;
- measures have well established methodology and reporting of data;
- measures have outcomes over which the government has a greater degree of influence; and
- each goal has at least one reviewed performance measure.

Performance Measures: Victimization and Crime Rates

To assess progress toward maintaining safe and secure Alberta communities, the ministry tracks the percentage of Albertans who report being victims of crime. The ministry's business plan target for this measure is 25 per cent. The victimization rate from public opinion surveys is higher than the police-reported crime rate because the survey victimization rate includes both police-reported and unreported crimes.

The ministry also tracks rates of violent and serious crime in the province, using national statistics. The ministry's business plan targets are for Alberta's property and violent crime rates to be lower than or equal to the national average. These new targets for crime rates were included in the ministry Business Plan starting in 2007-10.

Performance Measure 1a – Victimization Rate

Reviewed by Auditor General

The Alberta Solicitor General and Public Security 2009 Public Opinion Survey results are used to estimate the percentage of Albertans who have been a victim of crime in the previous year.

In 2008-09, 22 per cent of Albertans surveyed reported being a victim of a crime in the past year. This is one percentage point lower than last year's result and three percentage points lower than the business plan target of 25 per cent. The 2008-09 results are the lowest since 2001, when 20 per cent of Albertans said they were a victim at least once.

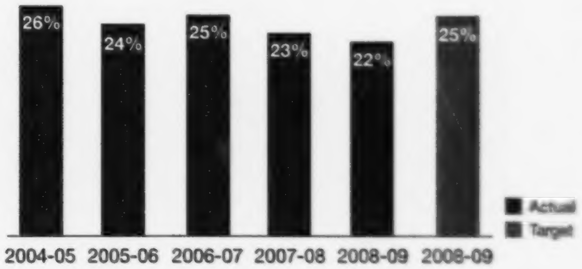
The 2008-09 survey reported 1,430 incidents of crime for 1,200 respondents, for an average of 1.196 incidents per adult Albertan. This is an increase from 1.028 crime incidents per adult Albertan in 2007-08. Of the 1,200 survey respondents, 435 (36 per cent) reported being victims of crime, when prompted with descriptions of specific crimes. This is a decrease from 456 (38 per cent) within the same sample size in 2007-08. This subset sample reported being victimized on average 3.3 times each in the past year. This is an increase compared to last year (average victimization of 2.7 times).

In 2008-09, Albertans surveyed indicated that the most common crimes were vandalism (13 per cent), motor vehicle or parts theft (12 per cent), and theft of household or personal property (12 per cent). Albertans surveyed also reported break and enter (nine per cent) and identity theft (six per cent). Less than half of all incidents were reported to police (43 per cent, compared to 47 per cent in 2007-08). The crimes most likely to be reported to the police included break and enter (72 per cent), robbery (69 per cent), and motor vehicle or parts theft (55 per cent). Crimes that were least likely to be reported to the police included sexual assault (eight per cent), assault (22 per cent), and vandalism (38 per cent).

Figure 4

Victimization Rate (percentage per year)

Source: Alberta Solicitor General and Public Security 2009 Public Opinion Survey – Research Innovations Inc.



Performance Measure 1b – Property Crime Rate

The 2008 business plan target for the property crime rate was to be lower than or equal to the national rate. In 2008, Alberta's rate of property crime was 26.5 per cent higher than the national rate, but lower than last year's result.

In 2008, Alberta's property crime rate decreased by eight per cent, continuing the lowest rates seen in three decades. The rate of break and enter decreased by 11 per cent and has been virtually equal to the national rate for the past three years.

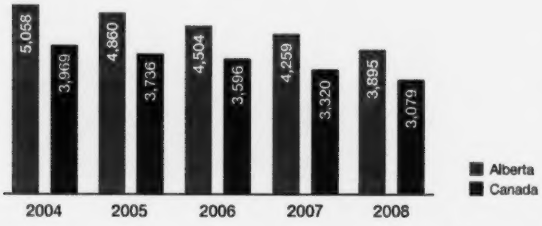
While motor vehicle theft also decreased by eight per cent, Alberta continued to have the second highest rate of motor vehicle theft in the country in 2008.

Property crimes in Alberta have been declining for four consecutive years.

Figure 5

Crime Rate: Property Crime (per 100,000 population)

Source: Crime Statistics in Canada, Canadian Centre for Justice Statistics



Performance Measure 1c – Violent Crime Rate

The 2008 business plan target for the violent crime rate was to be lower than or equal to the national rate. In 2008, Alberta's rate of violent crime was 20.2 per cent higher than the national rate. This is an increase compared to last year's result.

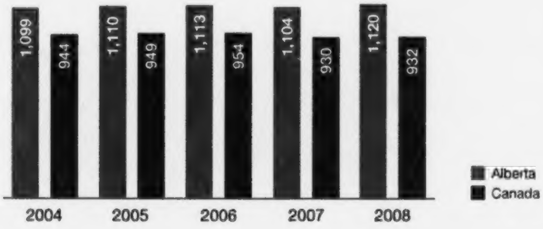
Alberta's violent crime rate increased by one per cent in 2008. The rate of robbery decreased by four per cent, but the rate of homicide increased by 25 per cent (110 homicides in 2008). Alberta had the second highest homicide rate among the provinces. Edmonton and Calgary reported the second and third highest rates of homicide, respectively, among Canadian metropolitan areas with populations of 500,000 or more.

The four western provinces continued to have the highest rates of violent crime in 2008 and Alberta continued to have the lowest rate among the four western provinces.

Figure 6

Crime Rate: Violent Crime (per 100,000 population)

Source: Crime Statistics in Canada, Canadian Centre for Justice Statistics



GOAL 2 Linked to Core Business 1 – Law Enforcement and Crime Prevention

Crime prevention and safety programs support safe Alberta communities

This business plan goal includes strategies for public education, awareness and training; funding for community crime prevention and community safety programs; partnerships to deliver community crime prevention and restorative justice programs; and implementation of an integrated, cross-ministry crime reduction strategy that includes enforcement, prevention, and treatment/intervention.

Results for Goal 2 for 2008-09 include:

- community crime prevention; and
- integrated crime reduction (SafeCom).

Community Crime Prevention

The ministry supports crime prevention and community safety initiatives with Alberta communities, various levels of government, and other agencies. These initiatives include public awareness and education, training, and support for communities to work together with law enforcement agencies to address root causes of crime and prevent or deter criminal activity.

Community crime prevention also includes working with the federal government and other jurisdictions on crime prevention, working with other Alberta ministries and community stakeholders on prevention projects for Alberta, and working with other ministries and dozens of non-government agencies to address the causes and effects of crime (see Goal 4).

Community crime prevention results for 2008-09 include Aboriginal Community Crime Prevention, Alberta Community Crime Prevention grants, and Alberta Crime Prevention Week, which involves recognition of the outstanding contribution of individual Albertans to safe communities. The ministry also supported Restorative Justice Programs, where offenders are held accountable for their actions to the victim, the community, and themselves.

Aboriginal Community Crime Prevention

Alberta's community crime prevention and public safety programs include support for Aboriginal communities to develop and implement their own community safety initiatives. The ministry works with stakeholders and partners across all sectors of the justice system to build capacity in Aboriginal communities to seek meaningful solutions to justice issues and provide services responsive to community needs.

In 2008-09, the ministry provided funding to Aboriginal organizations for four crime prevention co-ordinators serving 12 communities. The ministry also worked collaboratively with the National Crime Prevention Centre to further crime prevention initiatives in First Nation communities.

The ministry continued to work with Hobbema community members, policing agencies and other partners to address gang violence issues. Results included deployment of more police resources and an integrated policing model, additional resources Ito target gangs, and a gun amnesty initiative to reduce the number of weapons in the community. The ministry partnered with the Hobbema RCMP to host the Maskwacis Youth Building for the Future Forum at the Jonas Applegarth Auditorium in January 2009. A follow-up session was held at the Samson Cree Nation High School.

Alberta Community Crime Prevention Grants

This program supports non-profit organizations and community-based coalitions and networks in undertaking projects to prevent crime in their neighbourhoods and make their communities safer. In 2008-09, the ministry provided $585,000 in grants to support 15 projects, including prevention of elder abuse and family violence, community safety, youth development and community outreach.

Alberta Crime Prevention Week

This annual event recognizes the crime prevention efforts of community members and increases public awareness of crime prevention. Alberta Crime Prevention Week 2008 was held from May 11 to 17.

Alberta Crime Prevention Week – *An annual campaign to increase awareness of crime prevention and encourage Albertans to help make our communities safe.*

Crime Prevention Week 2008 featured the 17th annual Alberta Solicitor General and Public Security Crime Prevention Awards. The event was co-hosted by the Solicitor General and Minister of Public Security and the Calgary Police Service.

Twelve Crime Prevention Awards were presented to recognize outstanding efforts in making neighbourhoods safer, helping at-risk youth, and raising awareness about crime prevention. Award categories include individuals, community organizations, police, business, media, and youth leadership.

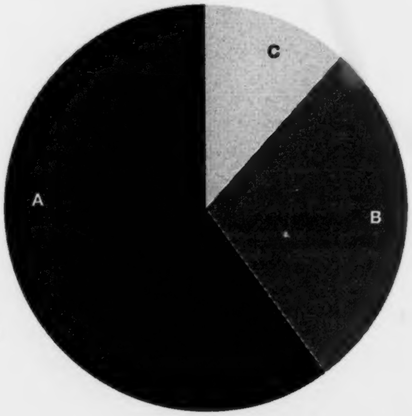
New crime prevention resources, developed by the Crime Prevention and Restorative Justice unit, were released during Crime Prevention Week 2008. *Crime Prevention: Common Goals* materials include tips for home, workplace and business security, rural crime, violence prevention, and fraud prevention.

Restorative Justice Programs

Restorative justice refers to community-based approaches allowing offenders to come to terms with their crimes and understand how their actions have affected victims and communities. The ministry supports community projects that enhance awareness of restorative justice processes and increase capacity to deliver restorative justice programs. In 2008-09, the ministry provided $306,500 in grants for 11 restorative justice projects. Changes to the funding criteria enabled Youth Justice Committees (see Goal 4) to apply for restorative justice grants. This funding supported non-profit and community-based organizations across Alberta to deliver programs including community mediation, victim-offender mediation, training programs, leadership development, and Aboriginal community peacemaker projects.

The ministry also supported the Alberta Restorative Justice Association (ARJA), the first provincial restorative justice association in Canada. The ARJA held its first annual general meeting and elected its first board of directors in conjunction with the second annual Provincial Restorative Justice Conference, held in Lethbridge in November 2008. The ministry provided funding support of $44,500 to the ARJA, as well as ongoing assistance to the organization to meet its contractual obligations.

Figure 7
Goal 2 Program Expenses ($ millions)



A = Safe Communities & Neighbourhoods Program ($2.1)
B = Crime Prevention Grants ($1.0)
C = Restorative Justice Programs ($0.4)

Integrated Crime Reduction (SafeCom)

Alberta's Crime Reduction and Safe Communities Task Force examined ways by which government, stakeholders and partners can work together to reduce crime and fear of crime, and make communities safer places to live, work and raise families. The nine-member task force met with more than 1,700 Albertans in 14 communities and released its report, *Keeping Communities Safe,* in November 2007.

The report's recommendations represent a long-term integrated approach to crime prevention that includes enforcement, prevention, and treatment/intervention. Task force recommendations included adding more police, targeting chronic repeat offenders, providing more support for police to deal with known drug houses, and expanding access to mental health services and treatment for offenders.

The Government of Alberta implemented a cross-ministry response to the task force recommendations, including establishment of the Safe Communities Secretariat (SafeCom). SafeCom oversees implementation of the task force recommendations. The Crime Reduction and Safety Communities Task Force Support Team (Justice and Attorney General, Solicitor General and Public Security, and Public Affairs Bureau) received a 2008 Premier's Gold Award of Excellence in recognition of their efforts to support this government-wide initiative.

Safe Communities Secretariat (SafeCom)
SafeCom is responsible for jointly developing, implementing and evaluating a comprehensive and integrated, long-term crime reduction and prevention strategy. SafeCom supports integration of activities by different ministries. Actions by individual departments must support the initiative's overall direction and strategy.

SafeCom also works with urban, rural and remote communities to develop action plans that reduce crime and promote safe communities.

Solicitor General and Public Security is an active partner in SafeCom. The ministry is leading the government's response to a number of task force recommendations and participating with other ministries to address additional recommendations. The task force recommendations have empowered ministry staff to develop initiatives that contribute to the implementation of an integrated approach to crime prevention.

Budget 2008 included major investments to move forward on key task force recommendations and support the government priority to reduce crime so Albertans feel safe. The Government of Alberta has committed funding of $468 million over three years, plus $33 million in capital investments for addiction and treatment facilities. Funding was allocated to the five core ministries participating in the SafeCom Secretariat: Justice and Attorney General, Solicitor General and Public Security, Health and Wellness, Children and Youth Services, and Education. Specific task force recommendations addressed in 2008-09 included development of an integrated approach to reducing gang crime activities across the province, targeting of repeat offenders (who are collectively responsible for a significant amount of crime), enhancing the treatment component of family violence courts, and increasing the numbers of police officers, crown prosecutors, and probation officers.

The province's investments in safe communities support a number of key recommendations addressed by the Ministry of Solicitor General and Public Security. These initiatives include:

- **Recommendation #18:** add more front-line police officers, and more support services and policing positions to keep pace with Alberta's population growth (see Goal 1).

- **Recommendation #23:** work with the RCMP to establish an ongoing mechanism for all municipalities to provide input into provincial policing priorities (see Goal 1).
- **Recommendation #12:** hire additional probation officers to reduce caseloads and provide more intensive supervision to high-risk offenders (see Goal 3).
- **Recommendation #19:** establish a priority prolific offenders program to provide a focused and comprehensive approach to the management of high-risk repeat offenders (see Goal 3).
- **Recommendation #25:** work with Alberta Health and Wellness and Alberta Health Services to enhance offenders' access to specialized addictions and medical and mental health services, and continuity of care upon return to the community (see Goal 4).

Additional results related to implementation of the task force recommendations include the *Safe Communities and Neighbourhoods Act* and establishment of SCAN investigative units.

Safe Communities and Neighbourhoods (SCAN) Act

This *Act* was a direct result of task force recommendation #6. MLA Art Johnston introduced it as a private member's bill (Bill 212) in spring 2007. It was passed with amendments in fall 2007 and came into force effective October 1, 2008. Alberta's SCAN legislation is based on similar legislation in other Canadian jurisdictions.

The goal of the *SCAN Act* is to improve community safety by targeting properties used for criminal activities such as drugs, gangs, and prostitution. This legislation empowers citizens to report problem residences and businesses. It also holds property owners accountable for illegal activities regularly taking place on their property. *SCAN* promotes community safety by closing properties that:

- negatively affect the health, safety or security of one or more persons in a neighbourhood; and/or
- interfere with the peaceful enjoyment of one or more properties in a community or neighbourhood.

The *SCAN Act* supports police agencies by dealing with property, not individuals. Police remain responsible for individuals through enforcement of the *Criminal Code* and the *Controlled Drugs and Substances Act*, which deal directly with offenders and behaviour, not the properties in which the criminal behaviour is occurring.

The *SCAN Act* is another tool to combat illegal activities associated with gangs, drugs, and prostitution. It supports strong and vibrant communities by engaging community members as partners with government and law enforcement agencies. It also supports landlords and property owners to rent property to law-abiding tenants and helps them to remove problem tenants.

***SCAN Act* Definitions**

"Property" includes a structure, business, house, apartment, suite, mobile home, or vacant land and applies to both commercial and residential properties.

"Specified use activities" are activities that negatively affect the health, safety, and security of a neighbourhood. These include: producing, selling or using illegal drugs; solvent abuse; unlawful sale and/or consumption of alcohol; prostitution or child sexual exploitation; and gang and organized criminal activity.

"Fortified buildings" must have fortifications that pose a threat to public safety.

SCAN Investigative Units

As part of Budget 2008, funding of $2.9 million was allocated to support the establishment of two new sheriffs' units to investigate public complaints about properties being used for illegal activities. SCAN investigators completed a seven-week training program in September 2008. Information sessions, open to landlords, property owners, real estate professionals, municipal officials, housing associations, and the public, were held in Edmonton and Calgary in September 2008. The SCAN Investigative Units in Calgary and Edmonton became fully operational on October 1, 2008.

SCAN investigators respond to confidential complaints from the public. They conduct investigations to determine whether there is enough evidence to support a complaint. Investigators may take a number of actions following an investigation. The preferred approach is informal resolution through meetings with property owners. An investigator may also send a warning letter to an owner or occupant. Complaints are resolved on a case-by-case basis. As a last resort, SCAN investigators may apply to the Court of Queen's Bench for a Community Safety Order. SCAN investigations that uncover criminal activities turn that information over to police.

As of March 31, 2009, there were 14 SCAN investigators located in Calgary and Edmonton. In 2008-09, the SCAN units investigated 269 complaints and successfully concluded 205 complaints.

Performance Measures: Safety in the Home and in the Neighbourhood

Public perceptions of safety measure the overall success of law enforcement and crime prevention initiatives. The ministry tracks the percentage of Albertans who feel safe in their homes and their neighbourhoods after dark.

Performance Measure 2a – Public Perception of Safety in the Home

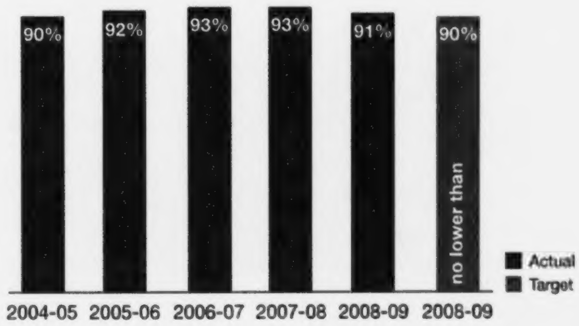
Results for this measure are based on an annual survey question asking Albertans how safe they feel in their homes after dark. For this question, results from Solicitor General and Public Security's survey are combined with results of a contemporary survey conducted for Alberta Justice and Attorney General (see the Performance Measures Methodology section for more details). Results reported include those who feel "reasonably safe" or "very safe".

In 2008-09, 91 per cent of respondents indicated that they felt "very safe" (53 per cent) or "reasonably safe" (39 per cent) from crime in their own home after dark (see note below). This result is two percentage points lower than last year's result (93 per cent in 2007-08) but meets the ministry's business plan target of no lower than 90 per cent.

NOTE: This result is the actual percentage who mentioned both categories. When adding together the percentages for two related categories, the total may differ by one percentage point from the actual percentage who mentioned both categories.

Figure 8
Public Perception of Safety in the Home
(percentage per year)

Source: Alberta Solicitor General and Public Security 2009 Public Opinion Survey and Alberta Justice 2009 Public Opinion Survey – Research Innovations Inc.



Performance Measure 2b – Public Perception of Safety in the Neighbourhood

Reviewed by Auditor General

Results for this measure are also based on an annual public opinion survey question, asking Albertans how safe they feel walking alone in their area after dark. For this question, results from Solicitor General and Public Security's survey are combined with results of a contemporary survey conducted for Alberta Justice and Attorney General (see the Performance Measures Methodology section for more details). Results reported include those who feel "very safe" or "reasonably safe".

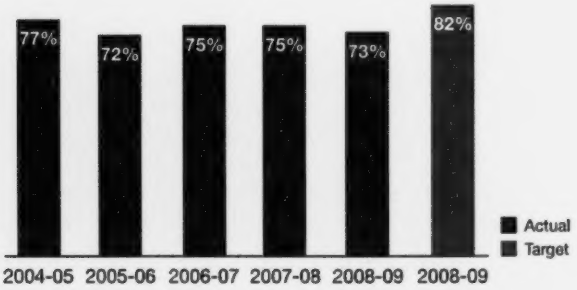
In 2008-09, 73 per cent of Albertans surveyed felt "very safe" (32 per cent) or "reasonably safe" (41 per cent) walking alone in their area after dark. This result is two percentage points lower than last year's result, and lower than the ministry business plan target of 82 per cent.

Figure 9

Public Perception of Safety in the Neighbourhood

(percentage per year)

Source: Alberta Solicitor General and Public Security 2009 Public Opinion Survey and Alberta Justice 2009 Public Opinion Survey – Research Innovations Inc.



Performance Measures: Safety in the Home and in the Neighbourhood – Discussion and Analysis

Perception of safety in the home and safety in the neighbourhood are measures that the ministry uses to examine the extent to which the public perceives the ministry as being successful in promoting safe communities. Governments, academics, political groups and journalists often measure public attitudes toward the criminal justice system, crime and offenders in an attempt to discover how members of the public perceive crime and various justice issues. Public attitudes have the potential to influence the development of social policy and it is important to examine public attitudes.

In 2008-09, 91 per cent of Albertans felt safe in their own home after dark. Those feeling somewhat less safe than others included those who had lived in their current home for six to ten years, those living in Edmonton, those with an annual income of less than $30,000, those who are divorced, separated or widowed and those who had been a victim of crime in the last year.

In 2008-09, 73 per cent of Albertans felt safe walking alone in their neighbourhood or area after dark, which is consistent with results achieved over the last four years. There was lower perceived safety among females, those in households with an annual income of less than $30,000, those with high school education, respondents 65 years of age or older, single respondents and divorced, separated or widowed respondents, respondents in Calgary and Edmonton, respondents who have lived in Alberta for six to ten years and victims of crime.

In general, some of the factors that may influence a person's attitude include their gender, age, level of education, satisfaction with personal safety, victimization experience and the experiences of friends and family. Heightened media exposure of high profile cases, as well as focused media coverage on the Safe Communities Initiatives, may have potentially influenced the results for these two measures.

Core Business 2
Custody, Supervision and Facilitation of Rehabilitative Opportunities for Offenders

Core Business 2 promotes safe and secure Alberta communities through the secure and efficient custody and transportation of inmates, the court-ordered supervision of individuals in the community, and the provision of rehabilitative opportunities for offenders.

Results for correctional services for 2008-09 include:

- management of correctional populations in custody and under community supervision;
- the *Blueprint for the Future of Corrections* in Alberta;
- best practices for managing offender populations;
- addressing remand population pressures;
- improving inmate access to educational and health services;
- enhancing support for young offenders and youth in transition; and
- enhancing training for staff supervision of offenders.

Budget to Actual

Actual costs for Core Business 2 were $218.8 million, exceeding the budget of $215.1 million by $3.7 million. The deficit was primarily due to $2.4 million for additional recruit training, pandemic preparedness and uniform purchases, and $1.2 million in manpower costs due to increased inmate populations.

Actual to Actual

Compared to 2007-08, actual expenditures for Custody, Supervision and Rehabilitative Opportunities for Offenders increased by $22.7 million to $218.8 million. The increase was primarily due to $17.5 million for salary settlements, as well as $2.2 million for increased supplies and services costs for new programs in Community Corrections. The remaining balance pertains to increases in prisoner transport costs ($2.0 million), Strategic Information Technology Initiative costs and valuation adjustments related to vacation pay.

Table 7

Ministry 2008-09 Expenses for Core Business 2 ($ thousands)

Core Business	2008-09 Budget	2008-09 Actual	2007-08 Actual
Custody, Supervision and Rehabilitative Opportunities for Offenders	$ 215,117	$ 218,846	$ 196,149

GOAL 3 **Linked to Core Business 2 – Custody, Supervision and Facilitation of Rehabilitative Opportunities for Offenders**

Secure and efficient custody and community supervision

This business plan goal encompasses management of remand and correctional centres, adult minimum security camps, attendance centres, and young offender centres to ensure secure custody of adult inmate and young offenders. Community supervision and pre-trial supervision for adults and youth are also included in this goal. Other provincial correctional facilities and services are provided by contracted Aboriginal and non-profit organizations.

Results for Goal 3 for 2008-09 include:

- management of correctional populations in custody and under community supervision;
- the *Blueprint for the Future of Corrections* in Alberta;
- best practices for managing offender populations; and
- addressing remand population pressures.

Provincial Correctional Facilities (2008-09)

Adult Correctional Centres:
Calgary, Fort Saskatchewan, Lethbridge, Peace River

Remand Centres:
Calgary, Edmonton, Medicine Hat, Red Deer

Adult Camps:
Alsike Correctional Camp, Fort McMurray Minimum Security Camp (closed July 31, 2008)

Young Offender Centres:
Calgary, Edmonton, Grande Prairie

Young Offender Camp:
Shunda Creek (closed September 15, 2008)

Adult and Youth Attendance Centres:
Calgary and Edmonton

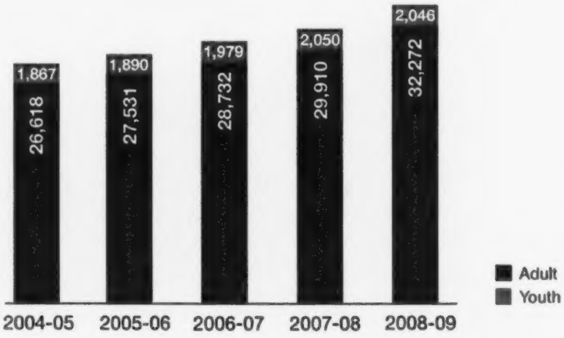
Contracted Facilities:
Kainai Community Correctional Centre (Blood Tribe), Métis Nation Wilderness Camp, four young offender group homes.

Management of Correctional Populations in Custody and Under Community Supervision

The custody population in Alberta correctional facilities includes individuals who have been remanded into custody and offenders sentenced to periods of custody of less than two years for adults. Youth may serve longer custody periods, depending upon their sentence. Individuals held under the *Immigration and Refugee Protection Act* and adult offenders sentenced to two years or more who are awaiting transfer to a federal penitentiary are also housed at Alberta correctional facilities.

In 2008-09, there were a total of 34,318 adult and young offender custody admissions in Alberta (see Figure 10). On any given day, approximately 2,838 adults were in Alberta remand and correctional centres and 178 youth were in young offender centres. The average length of stay in custody was 35.5 days for adults (18.1 days on remand status) and 51 days for young offenders (14.6 days on remand status).

Figure 10
Admissions to Alberta Correctional Centres
(number of admissions per year)
Source: Correctional Services Data



The provincial adult in-house custody population continued to increase, averaging 2,838 in 2008-09. The *Blueprint for the Future of Corrections* (see next section) estimated a further increase to a daily in-house population of 3,535 by 2011. This increasing custody population continues to include more gang-affiliated inmates and a higher percentage of individuals presenting physical and mental health issues. Recent federal legislative changes, including proposed amendments to the *Criminal Code,* are expected to result in more population pressures at Alberta correctional centres, as fewer offenders become eligible for conditional sentences. Other anticipated changes to the *Criminal Code* may lead to increased adult custody populations over the next few years.

Over the last several years, most of the increase in the provincial in-house custody count has been due to continuing growth in the remand population. A trend toward increased provincial remand populations has been occurring across Canada for more than 20 years.

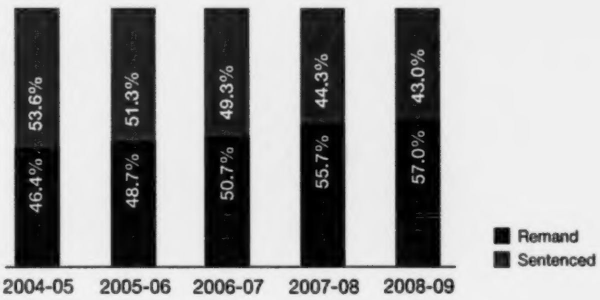
Since 2001, the proportion of the custody population held in remand in Alberta has increased from 31 per cent to 57 per cent. Over the past five years, the proportion of remand offenders has increased from 46 per cent to 57 per cent, as illustrated in Figure 11. Starting in the 2006-07 fiscal year, this group constituted the majority of the custody population.

Figure 11

Adult Daily Population (Remand and Sentenced)

(percentage of the custody population per year)

Source: Correctional Services Data

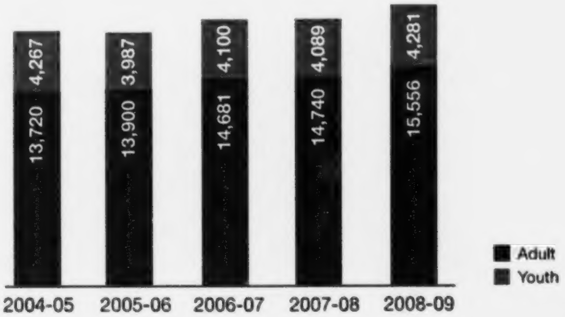


In addition to managing custody populations in provincial facilities, the ministry is also responsible for managing the community corrections population. In 2008-09, the average caseload for community supervision programs in Alberta was 15,556 adults and 4,281 youth (see Figure 12).

Figure 12

Correctional Population Under Community Supervision

Source: Correctional Services Data



Probation officers provide frontline supervision and rehabilitative intervention for offenders in the community. To assist in providing more intensive supervision of these offenders, Budget 2008 included $3.2 million to hire an additional 50 probation officers. These additional probation officers address recommendations #12 and #19 from the Crime Reduction and Safe Communities Task Force (see Goal 2). These additional staff will result in reduced caseloads and more proactive involvement in providing intensive supervision, including extra guidance and direction to high-risk offenders.

Supervision of Offenders in the Community
Characteristics shared by many offenders under community supervision include:

- prior criminal history
- addiction to drugs and/or alcohol
- mental health issues
- unstable family situations
- minimal education
- erratic employment history

Probation officers supervise offenders under community supervision by:

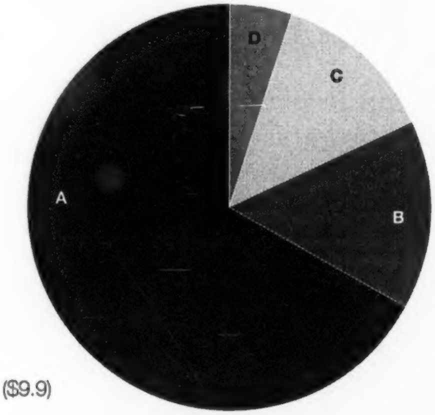
- ensuring that offenders comply with the conditions of their court-ordered community supervision;
- conducting ongoing assessment of an offender's risks and rehabilitative needs; and
- linking offenders to rehabilitative programs that provide targeted, professional support and assistance.

The *Blueprint for the Future of Corrections* in Alberta

The *Blueprint for the Future of Corrections* is a plan to address the changing offender profile and inmate population pressures, especially the growth of the adult remand population. The *Blueprint* includes strategies to enhance staff recruitment, training, retention and engagement, as well as best practices for managing custody and community supervision populations. Best practices for inmate/offender management programs include:

- use of a direct supervision security model for new correctional facilities;
- expansion of education and rehabilitation programs to remand populations;
- new approaches to preventing crime and reducing recidivism of offenders under community supervision;
- greater emphasis on risk reduction as opposed to risk management in community corrections; and
- more focus on special needs offenders such as aboriginal offenders, female offenders and offenders with mental health issues.

Figure 13
Goal 3 Program Expenses ($ millions)



A = Adult Remand & Correctional Centres ($132.9)
B = Community Corrections Adult Services ($29.1)
C = Young Offender Centres ($24.8)
D = Community Corrections Young Offender Services ($9.9)

Best Practices for Managing Offender Populations

The ministry continues to explore, develop, and implement best practices for the management of offender populations.

Results for 2008-09 include:

- **Evidence-based Offender Risk and Needs Assessment Tools**
  Two offender risk assessment tools were assessed through a "proof of concept" study, with results supporting the implementation of evidence-based offender risk assessment tools. Implementation of these tools began in 2008, with Alberta offenders under community supervision. The Community Corrections and Release Programs Branch and the Young Offender Branch are utilizing these tools as part of a transition to a risk-reduction model in the management of adult and young offenders under supervision in the community.
- **Targeted Programs for High-risk Offenders**
  Improved risk assessment tools are being used to identify offenders who are at higher risk to re-offend. The Priority Prolific Offender Program (PPOP), launched in October 2008, represents a commitment of $10.4 million over three years to identify, monitor, and share information on a small number of offenders who commit a large percentage of crime in Alberta communities. This innovative initiative brings criminal justice partners together to collaboratively address recommendation #19 from the Crime Reduction and Safe Communities Task Force (see Goal 2). PPOP involves coordination between law enforcement, courts and probation officers to share information. Community supervision is provided by a project team that includes police from the RCMP, Edmonton Police Service, Calgary Police Service, Alberta Sheriffs, and probation officers. PPOP is a focused and comprehensive approach to the management of high-risk repeat offenders.
- **Integrated Information Technology and Sharing**
  The ministry continues to support the development of integrated information technology systems to facilitate interoperability (see Goal 1) and information sharing, both within corrections and between corrections and law enforcement agencies and other public safety partners. This best practice in corrections management is a key strategic initiative that will improve safety and teamwork through the development and implementation of integrated information systems for offender management. The Corrections System Renewal Initiative (CSRI) will introduce major enhancements to corrections technology in Alberta. These enhancements will include replacement of the ministry's two legacy inmate/offender information management systems with a single, fully integrated system. Leading-edge corrections technology will also be incorporated into the design and construction of the new Edmonton Remand Centre.
- **Electronic Monitoring of Selected Offenders**
  The province began electronic monitoring of selected offenders in 2005 and has since expanded the program each year. Evaluations have found that this best practice is cost-effective and reliable in monitoring offender curfews. In 2008-09, electronic monitoring was expanded to a larger group of offenders through the use of new technology that does not require an offender to have a land line telephone. The use of electronic monitoring was further expanded to intermittent sentenced offenders selected for temporary absence in Lethbridge. It was also used in the curfew monitoring of a high-risk conditional sentenced offender in Calgary.

- **Enhanced Staff Training**
  Ongoing training is essential to equip staff to address challenges associated with supervising offender populations. Training also supports staff in implementing new tools and technologies, as part of the adoption of best practices. Staff training results are included under Goal 4 in this annual report.
- **Drug Detection Dog Program**
  The drug detection dog program is an effective resource for the detection of illegal drugs in both correctional and remand centres. Drug detection dog program results for 2008-09 include 147 centre searches, 5,281 inmates searched, and detection of illegal drugs, weapons and other contraband.
- **Corrections Week**
  Corrections Week is a primary component of a communication strategy to enhance community understanding of corrections work and acknowledge the work done by corrections staff in supporting safe and secure communities. The Corrections Week pilot was held September 22 to 26, 2008, with a focus on the Lethbridge Correctional Centre and district community corrections offices. Special events included opening and closing ceremonies and drug dog search demonstrations, which were a great hit with Lethbridge elementary and college students. The inaugural Alberta Corrections Week was a great success and a recommendation to support this initiative across the province was approved.

Addressing Remand Population Pressures

Interim solutions to the pressures associated with the rising remand population continued to be implemented throughout 2008-09. These solutions included an Operational Protocol with the Correctional Service of Canada that enabled the housing of selected provincially sentenced offenders at federal facilities. Remanded inmates from the Edmonton Remand Centre are also being housed at the Fort Saskatchewan Correctional Centre and the Calgary and Red Deer Remand Centres.

The ministry continued to advance a long-term solution to overcrowding in the provincial correctional system through the construction of a new Edmonton Remand Centre (ERC). The new ERC will address current overcrowding as well as the expected future growth of the remand population. This new facility will be capable of accommodating almost 1,944 inmates, with possible expansion to house up to 2,800 inmates if required.

Public safety and the safety of staff and inmates were key design considerations for the new ERC. The facility will feature a low-rise, pod-based design, with five general population pods, a segregation pod, a health centre pod, and a central administration building. A direct supervision model will be used to manage inmates at the new facility. Direct supervision is a best practice in the corrections field. It involves correctional staff moving about the pods with the inmates, with opportunities for staff to interact with inmates, to encourage and reward good behaviour, and to enforce meaningful consequences for negative behaviour.

New Edmonton Remand Centre

A maximum-security facility designed to keep inmates securely confined and the community safe.

Located at 186 Avenue and 127 Street in Edmonton.

Site is 16 hectares in size, with a building size of about 60,000 square metres.

Landscaping and setbacks will provide buffers from the surrounding community.

Inmate housing pods and enclosed exercise yards will be located away from public view.

A secure, monitored perimeter fence will prevent public entry into restricted areas.

All inmates will make their first court appearances using video-conferencing technology.

Video visitation will allow family members to visit inmates without having to travel to the new facility.

Total project cost is $620 million.

Anticipated completion date is November 2011.

Performance Measure: Completion of Temporary Absence Supervision

Temporary Absence is an early conditional release program available to selected sentenced low-risk offenders in provincial correctional facilities, including intermittent servers and fine defaulters. Offenders released under the Temporary Absence program are involved in employment, rehabilitative or community service programs. This measure assesses the ability of decision-makers to accurately determine an offender's ability to remain stable in the community. It also assesses the ability of supervisors to ensure that offenders are complying with the conditions of their release.

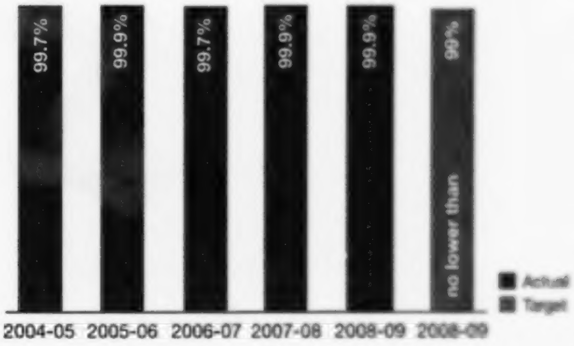
Performance Measure 3.a – Successful Completion of Temporary Absence Supervision

In 2008-09, almost all offenders (99.9 per cent) released under the program successfully completed their temporary absence supervision without incurring a new criminal charge. This result is the same as last year's and meets the business plan target of no lower than 99 per cent.

Figure 14

Successful Completion of Temporary Absence Supervision (percentage per year)

Source: Administrative Data, Correctional Services Division



Performance Measure: Cost for Housing Adult Offenders in a Correctional Facility

While providing secure custody of inmates/offenders, the ministry strives to maintain cost-effective housing in correctional facilities.

Performance Measure 3.b – Per Diem Cost for Housing Adult Offenders in a Correctional Facility

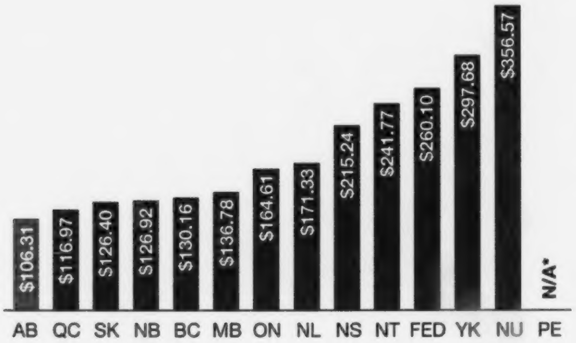
The per diem cost for housing adult offenders is based on data calculated by the Canadian Centre for Justice Statistics. The latest available data is from 2005-06.

Alberta's per diem cost of housing adult offenders in a correctional facility was $106.31, which is the lowest in Canada. Alberta's costs were well below both the national average ($143.03) and the average per diem cost of housing an offender in a federally operated penitentiary ($260.10 in 2005-06). This result meets the ministry's business plan target to be among the four jurisdictions with the lowest cost per diem per offender in Canada.

Figure 15

Per Diem Cost for Housing Adult Offenders in a Correctional Facility

Source: Canadian Centre for Justice Statistics, 2005-2006.



In 2008-09, it was determined that this measure could be removed from the 2009-12 Ministry Business Plan. The per diem cost of housing offenders will continue to be monitored internally. Lack of timely data for reporting on this measure was a factor in the decision to remove it. The per diem cost for housing offenders is directly proportional to the cost of staff required to run provincial correctional facilities and inversely proportional to the number of offenders in custody. The ministry has no control over the number of individuals remanded or sentenced to custody. When the custody population declines, the average daily cost can be expected to rise. Results over the past decade have consistently demonstrated that Alberta has the lowest or next-to-lowest adult custody cost per diem in Canada.

Performance Measure: Number of Escape Incidents

Secure custody includes prisoner transportation and prevention of escape incidents from secure custody. The ministry tracks the number of escape incidents from provincial adult correctional and young offender facilities or during prisoner transport. In 2008-09, sheriffs and correctional peace officers completed approximately 141,000 inmate transfers including court appearances, medical appointments and transfers between correctional facilities. The ministry's business plan target is to have zero escape incidents from secure custody or during transport.

Performance Measure 3.c – Number of Escape Incidents From Secure Custody (within a correctional facility) or During Transport

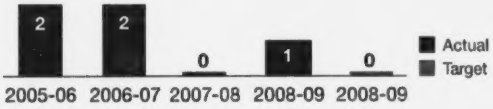
Reviewed by Auditor General

In 2008-09, there were no escapes of offenders from the secure confines of a correctional facility. There was one escape from an escort van operated by correctional peace officers. The offender was apprehended a short distance away and at no time was the public in danger. This result does not meet the ministry's business plan target of zero escapes.

Figure 16

Number of Escape Incidents from Secure Custody or During Transport

Source: Administrative Data, Correctional Services and Public Security Divisions



GOAL 4 **Linked to Core Business 2 – Custody, Supervision and Facilitation of Rehabilitative Opportunities for Offenders**

Offenders have the opportunity to access rehabilitative services and programs

This business plan goal includes programs and services to prepare offenders for successful re-integration to the community, including rehabilitative programs that offer assistance and opportunities to promote positive and productive behaviours. This goal also includes enhancing training to support staff in the supervision of offenders in custody and in the community.

Results for Goal 4 for 2008-09 include:

- improving inmate access to educational and health services;
- enhancing support for young offenders and youth in transition; and
- enhancing training for staff supervision of offenders.

Improving Inmate Access to Educational and Health Services

General programming offered at provincial correctional centres, attendance centres, and young offender centres includes academic upgrading (Grades 1-12), life skills, anger management, substance abuse awareness, spiritual support, employment training, and work placements. All young offenders in custody (under the age of 16) are required to attend school. A number of adult offender education programs are delivered in the evening or on weekends, allowing inmates to be involved in work-related activities during the day.

The ministry provides a variety of specialized rehabilitation programming, including an impaired driving program, drug and alcohol awareness, and chaplaincy services. Aboriginal Program Coordinators and Elders provide cultural and spiritual programming for Aboriginal inmates at adult and young offender centres.

Provincial correctional facilities also provide medical and mental health services for inmates, including nursing care, general practitioner care, mental health care, psychological services, methadone maintenance, dental services, and referral to specialist service providers. The inmate/offender population in Alberta is presenting increasingly complex health issues, including infectious diseases, addictions, mental health issues, and concurrent mental illness and addictions disorders.

The ministry is reviewing the educational, health and other rehabilitative programming available to inmates/offenders to ensure its relevance to the changing population. Correctional services focus on providing appropriate rehabilitation, treatment and custodial arrangements for inmates, to reduce their risk of re-offending and to support successful re-integration into the community. Two major program reviews were undertaken in 2008-09:

- educational and rehabilitation programming for adult inmates; and
- inmate access to health services and transition to community care.

An independent consultant undertook a review to identify gaps in the educational and rehabilitation programming currently available in Alberta remand and correctional centres. The review also sought to identify "best practice" strategies for adult offender education and rehabilitation programming, including strategies that could be utilized at the new Edmonton Remand Centre. The review was completed at the end of 2008-09. In 2009-10, a work plan will be developed for the approved recommendations to guide future education and rehabilitation program delivery for adult inmates/offenders. The program review also identified required changes to the Adult Offender Education Provincial Framework (Solicitor General and Public Security and Advanced Education and Technology), to ensure that the Framework remains an effective guide for planning and delivering adult education programs.

The ministry also worked with Alberta Health and Wellness and Alberta Health Services to address inmate and offender access to addictions and specialized medical and mental health services and programs, as well as continuity of care upon return to the community. This initiative supports recommendation #25 from the Crime Reduction and Safe Communities Task Force (see Goal 2). A review of inmate/offender access to health services and transition to community care is ongoing. The objectives are to improve health outcomes for a high-needs population and support successful transition from correctional system to community care.

Continuity of Care
Correctional settings provide opportunities to identify persons with infectious diseases and provide them with treatment to prevent future transmission of infection.

Correctional settings also provide for assessment and treatment of mental illness, addictions, and concurrent disorders.

Medical and mental health services need to be continued once offenders are released and return to community-based health care providers.

Enhancing Support for Young Offenders and Youth in Transition

Young offender centres offer rehabilitative programming for young offenders, including recreation and leisure; pastoral programs; crime prevention; violence prevention; positive self-awareness; behaviour management; conflict resolution; medical and mental health; and reintegration services. Improved transition programming for youth involved in the criminal justice system continued as a priority in 2008-09, in collaboration with other ministries and service providers. Enhancements to young offender program planning and delivery are ongoing at youth attendance centres in Calgary and Edmonton. The ministry is also working with partners to facilitate educational opportunities for youth leaving custody and returning to the mainstream school system.

Edmonton Young Offender Centre Afghanistan Project – *Empathy in the Making: Reaching Beyond Canada*
The first international project for young offenders; undertaken in collaboration with the Canadian military.

The project vision was to enable staff, teachers and young offenders to build empathy and gain an expanded appreciation of a global issue.

Activities included presentations by military members, collection of shoes and school supplies for children in Afghanistan, making of cards and dream catchers for troops, correspondence between young offenders and soldiers, and fundraising for the Wounded Warrior program.

Benefits for young offenders included increased pride; increased engagement in classroom activities; development of compassion, empathy and respect for military members; increased interest in career opportunities in the military; and fewer displays of behavioural issues.

With fewer young offenders receiving custody sentences, the ministry no longer required the youth work camp at Shunda Creek. In September 2008, the facility was transferred to Alberta Health Services for the operation of an addictions treatment program. The transfer of this facility supports recommendation #25 from the Crime Reduction and Safe Communities Task Force (see Goal 2).

Other initiatives to enhance support for young offenders in 2008-09 included:

- **Transition Programs for Young Offenders**
  Open-custody group homes for male young offenders in Edmonton ("BRIDGES") and for male and female young offenders in Calgary ("Excel Discovery") continued to offer specialized services aimed at decreasing criminal behaviours and substance abuse, and increasing pro-social behaviour. Alberta Health Services also offers a treatment program for adolescent sex offenders, at Counterpoint group home.

- **Alberta Children and Youth Initiative**
  Solicitor General and Public Security partners in this cross-ministry initiative to ensure that provincial supports for youth in transition are comprehensive, integrated and effective. The ministry continued to participate on a cross-ministry team with eight other ministries implementing a 10-year strategic plan to address Fetal Alcohol Spectrum Disorder (FASD). The plan includes prevention programs as well as support for those affected by FASD and their caregivers. The ministry has also enhanced case planning for young persons with FASD who are in conflict with the criminal justice system.

- **Youth Criminal Justice Protocol**
  The Ministries of Solicitor General and Public Security and Children and Youth Services developed an enhanced protocol that applies to individuals who are joint clients of both ministries. The protocol identifies guiding principles for both ministries, outlines information sharing requirements, specifies responsibilities for service delivery and costs, and establishes a structured and formalized communication network to resolve issues between the ministries. The Youth Criminal Justice Protocol will result in more coordinated provision of services for youth.

- **Youth Justice Committees (YJCs)**
  These groups work in partnership with Alberta's justice system to provide youth with an alternative to the formal court process. YJCs help youths accept responsibility for their crimes, assist courts with sentencing, and participate in crime prevention activities. There are 123 Youth Justice Committees across Alberta. In 2008-09, the ministry provided $350,000 in grant funding to support the committees. The ministry also supported the 8th annual Youth Justice Committee conference, held in Edmonton from October 31 to November 2, 2008. This annual event recognizes volunteers as the foundation for the success of the Youth Justice Committee program.

Enhancing Training for Staff Supervision of Offenders

The ministry continually promotes enhanced training to support staff to implement best practices and provide appropriate supervision to the changing offender populations. In 2008-09, the ministry continued to address strategic training and development needs, including the alignment of existing training initiatives.

A total of 1,333 correctional services staff received training through the Solicitor General and Public Security Staff College in 2008-09. Some areas of focus for correctional services staff training included:

- enhancing staff knowledge of, and ability to appropriately respond to, youth with mental health issues;
- learning and development for correctional peace officers;
- employee wellness and engagement; and
- a mentorship program where senior staff share their knowledge and experience with the next generation of potential managers.

Staff training related to best practices in corrections included:

- **Evidence-based Offender Risk and Needs Assessment Tools**
  These tools assist frontline staff to ensure that repeat offenders receive more focused intervention and supervision. Training commenced in January 2009, with 140 probation officers trained by the end of the fiscal year.
- **Motivational Interviewing**
  This evidence-based tool is being used in community corrections as part of the transition to risk reduction strategies in the management of offenders being supervised in the community. In 2008-09, 207 community corrections staff received training in motivational interviewing.
- **Direct Supervision**
  A total of 75 correctional staff completed training in direct supervision. This included "train the trainers" at the National Institute of Corrections in Colorado, a seven-day direct supervision training program, and a direct supervision "train the trainers" course.
- **Alberta Community Offender Management (ACOM)**
  In 2007, significant technological enhancements were made to the ACOM database. An innovative and efficient approach to training community corrections staff was required to ensure a successful transition to new processes. In total, 357 staff members received training over a 25-day period, at nine venues across the province, resulting in a successful transition to new processes. The ACOM Training Team received a 2008 Silver Premier's Award of Excellence.

Performance Measure: Percentage of Incarcerated Offenders Involved in Programs

To ensure that offenders are given appropriate opportunities to participate in rehabilitative programs, the ministry measures the percentage of incarcerated offenders involved in work, education, treatment or life management programs.

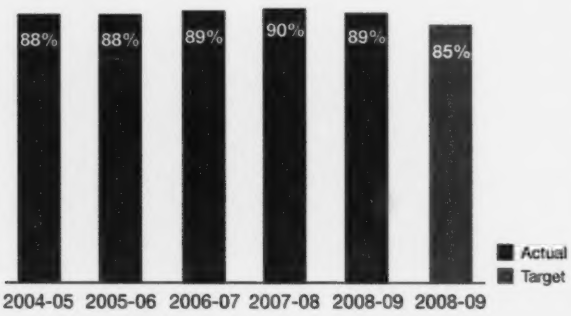
Performance Measure 4.a – Percentage of Incarcerated Offenders Involved in Work, Education, Treatment or Life Management Programs

Reviewed by Auditor General

In 2008-09, a total of 88.5 per cent of sentenced adult offenders and sentenced and remanded young offenders participated in these programs.

This result is comparable to the 2007-08 result of 89.9 per cent and exceeds the ministry's business plan target of "no lower than 85 per cent."

Figure 17
Percentage of Incarcerated Offenders Involved in Work, Education, Treatment or Life Management Programs (percentage per year)
Source: Administrative Data, Correctional Services Division



Core Business 3
Protection Services for Officials, Facilities and Infrastructure

Core Business 3 contributes to the safety of Albertans through the provision of security for elected officials, property and operations. This core business includes court and legislative security and crisis management planning with other governments, industry partners and stakeholders.

Results for protection services in 2008-09 include:

- protection for government officials, property and operations; and
- co-ordinated gathering and sharing of security information.

Budget to Actual

Actual expenditures of $52.4 million for Core Business 3 were lower than the budget of $56.4 million by $4 million. This was mainly due to reduced manpower costs as a result of delays in recruitment and in purchasing supplies and services.

Actual to Actual

Compared to 2007-08, actual expenditures for Protection Services for Officials, Facilities, and Infrastructure increased by $9.6 million to $52.4 million. The increase was mainly due to salary settlements and recruitment of additional staff and associated supplies and services due to new and existing program expansion ($9.1 million), as well as Information Technology projects.

Table 8

Ministry 2008-09 Expenses for Core Business 3 ($ thousands)

Core Business	2008-09 Budget	2008-09 Actual	2007-08 Actual
Protection Services for Officials, Facilities and Infrastructure	$ 56,427	$ 52,453	$ 42,849

GOAL 5 **Linked to Core Business 3 – Protection Services for Officials, Facilities and Infrastructure**

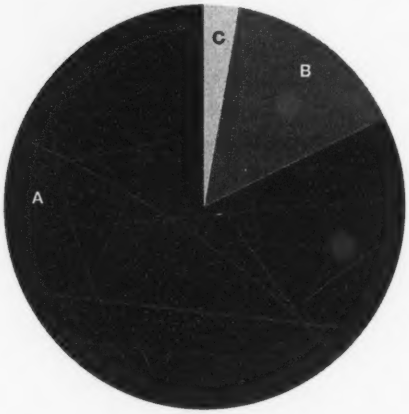
Officials and infrastructure in Alberta are safe and secure

This business plan goal encompasses security services for elected officials, property and operations; gathering and sharing of security information; and management of counter-terrorism security information and crisis management programming as part of the province's security and emergency preparedness framework. These services help to ensure the safety of Albertans and contribute to the province's capability to anticipate and respond to threats.

Results for Goal 5 for 2008-09 include:

- protection for elected officials, property and operations; and
- co-ordinated gathering and sharing of security information.

Figure 18
Goal 5 Program Expenses ($ millions)



A = Sheriff's Security Operations, including Court Security ($29.9)
B = Sheriff's Protection Services ($5.4)
C = Alberta Security & Strategic Intelligence Support Team ($1.0)

Protection for Government Officials, Property and Operations

The ministry provides protection for government officials, property and operations, including the legislature and government grounds in Edmonton and Calgary. The ministry also provides court security across the province. A comprehensive provincial court security plan was implemented beginning in 2006. Implementation of this plan was completed in 2008, with Alberta Sheriffs assuming responsibility for courtroom, perimeter and prisoner security at all Alberta court facilities. Budget 2008 provided an increase in funding of $3.2 million, including 30 additional staff, to support the comprehensive court security plan.

Provincial Court Security
In 2008-09, perimeter security screened 1,662,070 members of the public accessing Alberta courthouses, with a total of 7,009 prohibited items being confiscated.

Co-ordinated Gathering and Sharing of Security Information

Through the Alberta Security and Strategic Intelligence Support Team (ASSIST), the ministry provides dedicated resources to prevent and mitigate intentional threats and acts against Alberta's critical infrastructure. ASSIST provides counter-terrorism, intelligence and crisis management planning in co-ordination with other government agencies, police, intelligence agencies, industry partners, and stakeholders. ASSIST gathers, analyzes and shares intelligence information with all partners regarding threats to the province's critical infrastructure.

ASSIST is also responsible for the Alberta Counter-Terrorism Crisis Management Plan. The plan was recently revised following an extensive consultation process, to emphasize the use of intelligence from a range of sources to identify, mitigate, or prevent security threats before they occur. The plan is continually reviewed to ensure that it meets current security requirements.

In 2008-09, the ministry continued to build key partnerships with critical infrastructure stakeholders, including federal and provincial agencies and law enforcement and intelligence agencies. A critical infrastructure evaluation tool was updated in partnership with stakeholders. ASSIST continued to provide value-added crisis management services, including protection of energy infrastructure and co-ordinated, cross-border exchange of information between industry, law enforcement and government officials in Alberta and British Columbia.

Performance Measure: Client Satisfaction

The impact of the ministry's crisis management planning activities is measured through a stakeholder satisfaction survey.

Performance Measure 5.a – Satisfaction with Services or Information from the Alberta Security and Strategic Intelligence Support Team (ASSIST)

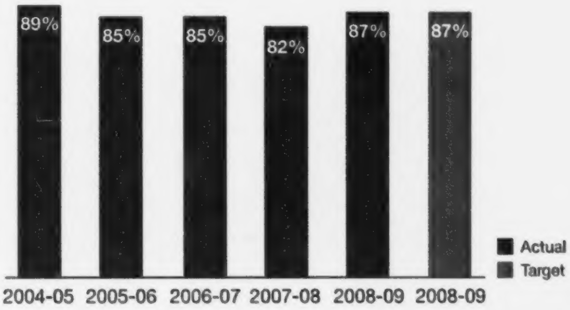
Reviewed by Auditor General

In 2008-09, 87 per cent of stakeholders were satisfied with the services or information they received from ASSIST. This result is an increase of five percentage points compared to 2007-08, and meets the ministry's business plan target of 87 per cent.

Figure 19

Satisfaction with Services or Information from the Alberta Security and Strategic Intelligence Support Team (percentage per year)

Source: Alberta Security and Strategic Intelligence Support Team 2009 Client Satisfaction Survey – Research Innovations Inc.



Core Business 4
Victims Programs and Services

Core Business 4 contributes to safe communities by providing programs and services for victims of crime. Solicitor General and Public Security provides financial benefits to eligible victims of crime, as well as funding and other supports for police-based and community-based services and organizations that address the needs of victims.

Results for victims' services in 2008-09 include:

- enhanced financial benefits for eligible victims of crime;
- increased support for victim service organizations; and
- expanded access to services for victims of crime.

Budget to Actual

Actual expenditures of $26.4 million for Core Business 4 were lower than the budget of $26.6 million by $0.2 million.

Actual to Actual

Compared to 2007-08, actual expenditures of $19.6 million for Victims Programs and Services increased by $6.8 million to $26.4 million. This was primarily related to an increase in grants for victim services programs resulting from a new funding formula ($3.6 million), higher financial benefits payments ($2.1 million), as well as costs related to the awareness campaign and salary settlements.

Table 9

Ministry 2008-09 Expenses for Core Business 4 ($ thousands)

Core Business	2008-09 Budget	2008-09 Actual	2007-08 Actual
Victims Programs and Services	$ 26,588	$ 26,446	$ 19,563

GOAL 6 **Linked to Core Business 4 – Victims Programs and Services**

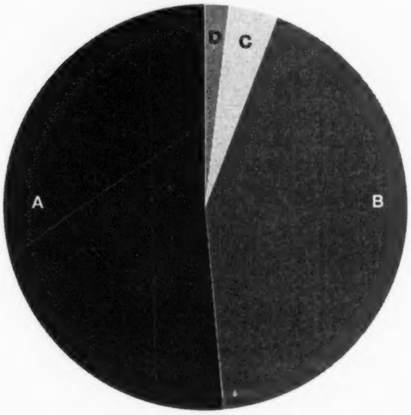
Victims of crime receive assistance, information and support

This business plan goal includes the provision of financial benefits, assistance and support to eligible victims, as well as assistance to police-based and community-based organizations to develop and deliver programs and services that meet the needs of victims of crime. The ministry oversees the administration of the *Victims of Crime Act*, including programs funded by the Victims of Crime Fund (VOCF). The VOCF is primarily based on the federal and provincial fine revenue surcharge paid by offenders.

Results for Goal 6 in 2008-09 include:

- enhanced financial benefits for eligible victims of crime;
- increased support for victim service organizations; and
- expanded access to services for victims of crime.

Figure 20
Goal 6 Program Expenses ($ millions)



A = Victims Financial Benefits Programs ($12.7)
B = Victims Programs & Services ($10.6)
C = Victims Programs & Services Administration ($1.0)
D = Criminal Injuries Review Board ($0.4)

Enhanced Financial Benefits for Eligible Victims of Crime

Individuals who have incurred physical or emotional injury resulting from violent crime in Alberta may be eligible for one-time payments of financial benefits under the *Victims of Crime Act*. The Victims Financial Benefits Program has experienced continual growth in volume since its inception in 1997.

In June 2008, an additional benefit of $1,000 per month was introduced for victims of crime with severe brain injuries and quadriplegia resulting from violent crime. The new benefit, intended to help meet these victims' needs for long-term support and services, is in addition to lump-sum awards from the Victims Financial Benefits Program.

Through the Financial Benefits program, the ministry strives to provide prompt financial assistance to eligible victims of crime. In 2008-09, a budget increase of $1 million supported enhanced financial benefits for victims of crime. In 2008-09, 2,385 new applications for financial benefits were received. This represents an increase of 12 per cent compared to the previous year (2,122 applications in 2007-08).

The total dollar amount of financial benefit awards in 2008-09 was $11,623,000, an increase of 19.5 per cent compared to the previous year ($9,727,000 awarded in 2007-08). This total amount included awards of the new supplemental financial benefit of $1,000 per month, to 12 recipients.

Increased Support for Victim Service Organizations

Across Alberta, more than 140 police and community-based organizations provide a variety of services to assist victims of crime. The ministry provides funding support and works in partnership with these organizations to provide programs and services for victims. In Budget 2008, the province provided an additional $2.1 million to enhance support for victims' programs. A change to the funding formula resulted in a 300 per cent increase in grants to victims' programs in Calgary and Edmonton and a 50 per cent increase in grants to other victim service organizations.

In 2008-09, the ministry provided $9.4 million in grants from the Victims of Crime Fund (VOCF) to support applications from VSUs across the province. This is an increase of $3.7 million (65 per cent) compared to the previous year. Victim service programs across Alberta provided assistance to approximately 58,500 people in 2008-09. Volunteers across Alberta contributed 180,000 hours to victim assistance programs.

The ministry continued to work with providers of victims programs and services to build capacity for effective service delivery and to enhance organizational accountability. Capacity-building results for 2008-09 include Aboriginal cultural training for victim service providers. Support for enhanced accountability of victim service organizations included the continued implementation of a new performance measurement framework. Training on the new framework was provided for staff and volunteers in police-based VSUs across the province.

Victim Service Units

Victim Services Units (VSUs) across Alberta provide information, assistance, support, and referral to victims of crime while they are involved with the criminal justice process.

Police-based VSUs, associated with police services or RCMP detachments, provide support, information and referrals to victims of crime or tragedy. Community-based VSUs provide specialized services specific to particular crime victims such as children, seniors, and immigrant communities, or in relation to specific types of crime such as domestic violence or sexual assault.

Volunteer advocates and board members play a key role in providing services for victims of crime. These services include: intervention and support; information regarding cases and criminal justice proceedings; information about medical, legal and social services; referrals to other agencies; and courtroom orientation and accompaniment.

Victims Financial Benefits Program

Alberta's Victims of Crime Financial Benefits Program has one of the highest limits of direct financial assistance to victims in Canada. Alberta is the only jurisdiction where victims receive unconditional financial benefits.

Since its inception in November 1997, the Victims Financial Benefits Program has awarded approximately $57 million to 11,145 individuals.

Expanded Access to Services for Victims of Crime

As of March 2008, Albertans in all parts of the province had access to a police-based VSU. The ministry continued to work with law enforcement and community partners to enhance access to victim services in Aboriginal and isolated communities and for victims of crime with specialized needs.

The ministry participated in pilot projects to increase services for victims in Aboriginal communities through the Lesser Slave Lake Indian Regional Council Victims' Service (community-based) and the St. Paul Victim Service Unit (police-based). The ministry also provided intensive support to new, on-reserve VSUs in Hobbema and Siksika that were established in 2007-08.

The *Victims of Crime Protocol*, released in 2007, addressed several recommendations from the *MLA Report of the Alberta Victims of Crime Consultation* (2002). The *MLA Report* outlined a 10-year vision to address the needs of victims in Alberta. As of March 2009, 76 per cent of the accepted recommendations (28 recommendations) have been successfully implemented.

A three-year evaluation of the *Victims of Crime Protocol* was launched in August 2008. The evaluation will identify strengths, weaknesses and areas for improvement in the implementation process. It will also help to identify how well the *Protocol* assists victims of crime to navigate the criminal justice system.

Performance Measure: Client Satisfaction

Individuals applying for financial benefits are asked to complete a survey rating their satisfaction with the overall service provided to them by employees and volunteers in the criminal justice system. The scale ranges from 1 (very dissatisfied) to 5 (very satisfied).

Performance Measure 6.a – Satisfaction with Services Provided by Employees and Volunteers within the Criminal Justice System

Reviewed by Auditor General

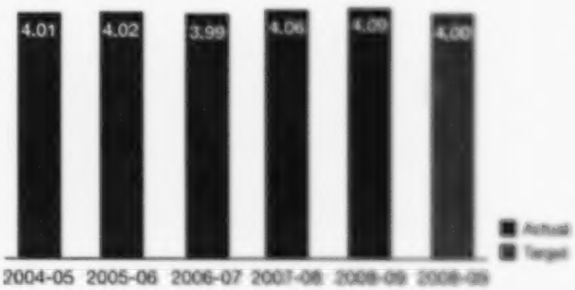
In 2008-09, applicants for victim financial benefits reported an overall satisfaction rate of 4.09. This result exceeds last year's result (overall satisfaction rate of 4.06 in 2007-08) and exceeds the ministry's business plan target of 4.00 on a five-point scale.

Figure 21

Satisfaction with Services Provided by Employees and Volunteers Within the Criminal Justice System

(rate based on a 5-point scale)

Source: Client Satisfaction Survey, Public Security Division



Core Business 5
Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility

Core Business 5 highlights the province's commitment to ensuring the integrity of liquor and gaming in Alberta. The province is also committed to social responsibility and strives to promote a culture of moderation for the consumption of alcohol and participation in gambling.

Table 10

Ministry 2008-09 Expenses for Core Business 5 ($ millions)

Core Business	2008-09 Budget		2008-09 Actual		2007-08 Actual	
Gaming-related net revenue	$	1,516	$	1,512	$	1,615
Liquor-related net revenue	$	680	$	684	$	678
Expenses incurred by the core business	$	1,522	$	1,522	$	1,632

Core Business 5 focuses on three key areas:

- ensuring Alberta's liquor activities are conducted with integrity;
- ensuring Alberta's gaming industry operates with integrity and benefits Albertans; and
- promoting the socially responsible use of liquor and gaming activities.

In managing its responsibilities, the AGLC continually assesses and balances revenue generation with the responsible provision of gaming and liquor. In 2008-09, liquor-related net revenue was $684 million, compared to $678 million in 2007-08. Liquor-related net revenue forms part of the government's general revenues and is used to fund core government programs.

Gaming-related net revenue was $1.51 billion in 2008-09, compared to $1.61 billion in 2007-08. The *Gaming and Liquor Act* requires that these revenues are directed to the Alberta Lottery Fund.

The AGLC bears the cost of social responsibility activities related to liquor and gaming, as well as the costs of regulating, operating and managing the liquor and gaming industries. These costs are reflected within the AGLC's financial statements.

The ministry operating expenses allocated to support this core business were $1.52 billion in 2008-09 and relate to gaming research and lottery fund transfers to other ministries.

The Alberta Lottery Fund

Each year, thousands of volunteer and community-based organizations receive financial support from the Alberta Lottery Fund. Established in 1989, the fund is an important part of Alberta's charitable gaming model. It comprises the government's portion of revenues from provincial lotteries (ticket lotteries, slot machines, Video Lottery Terminals [VLTs], electronic bingo and Keno). Expenditures from the fund are approved annually by the Legislature.

The AGLC administers the Alberta Lottery Fund, while various government ministries deliver lottery-funded programs.

In 2008-09, Alberta Lottery Fund net revenue totalled $1.52 billion, compared to $1.63 billion in 2007-08. This decrease of 6.8 per cent reflected decreased gaming revenues. The details of how lottery funds were used by other ministries are outlined in their respective annual reports.

Gaming Research

The ministry supports evidence-based decision making – decisions based on sound research. Through a funding agreement with the Alberta Gaming Research Institute, an internationally recognized leader in gaming research and a consortium of the Universities of Alberta, Calgary and Lethbridge, $1.5 million was provided to support gaming research in Alberta in 2008-09.

As part of the funding agreement, an independent consultant completed a review of the Alberta Gaming Research Institute. The ministry is working with the Alberta Gaming Research Institute to address the consultant's findings.

Table 11

Alberta Lottery Fund Revenue ($ millions)

Core Business	2008-09 Budget	2008-09 Actual	2007-08 Actual
Alberta Lottery Fund Net Revenue	$ 1,522	$ 1,522	$ 1,632

GOAL 7 Linked to Core Business 5 – Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility

Liquor activities are conducted with integrity

Goal 7 highlights the AGLC's commitment to maintaining integrity in the liquor business. Alberta's liquor industry was privatized in 1993, enabling the private sector to retail, warehouse and distribute liquor in the province. However, the AGLC is responsible for establishing the rules and defining the range of public establishments in which liquor can be sold or consumed. It registers liquor suppliers, issues liquor licences, inspects liquor operations, and authorizes warehousing and distribution of liquor with private operators. It also sets and collects the provincial mark-up from sales.

Results for Goal 7 for 2008-09 include:

- developing new policies to improve safety in and around licensed premises; and
- ensuring stability in the liquor supply chain.

Developing New Policies to Improve Safety In and Around Licensed Premises

On August 1, 2008, new policies were introduced regarding minimum drink prices, happy hour and drink orders at last call, to help curb binge drinking and over-consumption in bars and clubs.

Under the new rules:

- Patrons may not have more than two drinks in their possession after 1:00 a.m.
- Bars can only reduce the regular menu price of liquor until 8:00 p.m. After that, drinks must be sold at regular price.
- Minimum drink prices are as follows:
  - $2.75 per ounce for spirits and liqueurs;
  - $0.35 per ounce for wine;
  - $0.16 per ounce for draught beer; and
  - $2.75 per 12-ounce bottle or can of beer, cider or coolers.

Ensuring Stability in the Liquor Supply Chain

In 2006-07, the AGLC contracted with an independent third party to review Alberta's liquor supply chain. The report identified a series of short-, medium- and long-term recommendations. The short-term recommendations were acted upon in 2007-08.

The key medium-term recommendation was to develop an operational and financial business case that considered options for the physical network. In 2008-09, this recommendation was acted on. As part of this process, the AGLC conducted stakeholder consultations with the liquor industry. The majority of stakeholders expressed a strong desire to see the principles of privatization retained through the current distribution model (through a single warehouser carrying all products, excluding domestic beer).

Performance Measure: Satisfaction with Conduct of the Liquor Business

It is the AGLC's responsibility to administer the *Gaming and Liquor Act*, Regulation and related policy. High levels of satisfaction with the conduct of the liquor business provide an indication that the AGLC is meeting Albertans' expectations.

Performance Measure 7.a – Percentage of Albertans Satisfied with the Conduct of the Liquor Business in Alberta

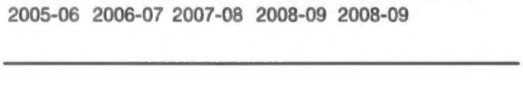
Reviewed by Auditor General

More than three-quarters of Albertans – 77 per cent – indicated they were satisfied with the conduct of the liquor business. This result falls slightly below the target of 80 per cent and is one percentage point below the result for 2007-08. While the difference in results between years is not statistically significant, the AGLC will continue to monitor the results for this measure and to take appropriate action, if required.

Figure 22

Satisfaction with the Conduct of the Liquor Business (percentage per year)

Source: 2009 AGLC Public Opinion Survey – Leger Marketing



GOAL 8 **Linked to Core Business 5 – Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility**

Alberta's gaming industry operates with integrity and benefits Albertans

Goal 8 emphasizes the AGLC's commitment to maintaining the integrity of the gaming industry while ensuring the proceeds from gambling benefit Albertans.

The AGLC licenses and regulates all charitable gaming, registers gaming workers, inspects licensed gaming establishments, manages financial audits, and investigates criminal activity. It also supplies and manages all electronic gaming equipment and collects licensing and registration fees.

Alberta has adopted two gaming models that ensure gambling proceeds benefit Albertans. The charitable gaming model (gaming involving casino table games, bingo, raffles, and pull-tickets) allows eligible charitable or religious groups to apply for and receive licences to conduct gaming activities. Thousands of charitable and religious groups conduct charitable gaming activities to raise funds for their projects and services each year.

In the second gaming model (provincial gaming), the AGLC conducts and manages ticket lotteries and all electronic gaming devices (slot machines, VLTs, and electronic bingo). These activities are delivered by independent retailers, private operators, and bingo associations under retailer agreements. The AGLC supplies and maintains the electronic equipment used for tickets, slots, VLTs, and electronic bingo. Bingo associations and licensed charities receive a commission for electronic bingo and slot activity, respectively. Net revenues from provincial gaming activities are deposited in the Alberta Lottery Fund and support programs, projects and foundations administered by 14 government ministries. Expenditures from the Alberta Lottery Fund are approved annually by the provincial Legislature.

Results for Goal 8 for 2008-09 include:

- monitoring emerging trends and attitudes toward gaming;
- reviewing policy to ensure integrity of gaming activities; and
- continuing to provide excellence in customer service.

Monitoring Emerging Trends and Attitudes Toward Gaming

The AGLC promotes informed or "evidence-based" decision making, based on sound research or performance results. To ensure the availability of solid data upon which to base these decisions, the AGLC conducts annual public and client satisfaction surveys on Albertans' attitudes toward gaming. The results are used to report on performance measures included in the ministry's annual report and the AGLC's annual report. More information on the AGLC's client satisfaction surveys is included in the AGLC's Annual Report, which is available at www.aglc.ca.

Reviewing Policy to Ensure Integrity of Gaming Activities

Alberta has a First Nations Gaming Policy for on-reserve casinos. This policy was designed to meet the needs of First Nations communities while adhering to Alberta's unique charitable gaming model.

In 2008-09, a Host First Nation Charitable Casino Policies Review Committee was established to review and revise existing policies and to develop new policies where appropriate. This committee will continue its work in 2009-10 and will, in consultation with Host First Nations, recommend policy changes that meet the needs of First Nations, the AGLC, and the Government of Alberta.

Continuing to Provide Excellence in Customer Service

The technical services branch of the Gaming Products and Services Division provides on-site technical support to ensure the province's gaming equipment is kept in good repair. In 2008-09, the Technical Services Branch won its second Premier's Award of Excellence and a Canada Award of Excellence for demonstrating continuous improvement as a working unit. Both of these awards evaluate applicants based on the National Quality Institute's best practices criteria and are credited by the public and private sector as a major benchmark achievement. For more information about the AGLC's commitment to customer service, please refer to its Annual Report, available on the AGLC's website at www.aglc.ca.

Performance Measure: Satisfaction with Conduct of Legal Gaming

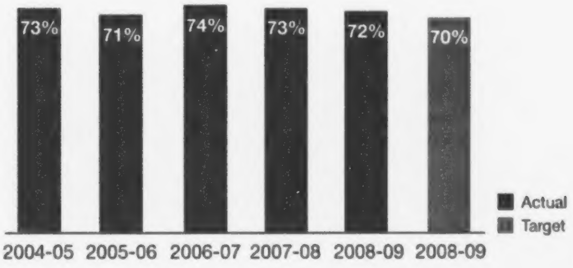
The AGLC is responsible for regulating Alberta's charitable gaming activities (casino table games, pull-ticket sales, raffles and bingo events) and conducting and managing provincial gaming activities (ticket lotteries and all electronic gaming devices). High levels of satisfaction with the conduct of legal gaming provide an indication that the actions of the AGLC are meeting Albertans' expectations.

Performance Measure 8.a – Percentage of Albertans Satisfied with the Conduct of Legal Gaming in Alberta

Reviewed by Auditor General

Seventy-two per cent of Albertans expressed satisfaction with the conduct of legal gaming in Alberta. This result exceeds the business plan target by two percentage points. An analysis of data from the last five years suggests that the results are consistent with those obtained in previous years. As with other performance measures, the AGLC will continue to monitor the results to ensure Albertans continue to be satisfied with gambling in the province.

Figure 23
Satisfaction with the Conduct of Legal Gaming
(percentage per year)
Source: 2009 AGLC Public Opinion Survey – Leger Marketing



GOAL 9 **Linked to Core Business 5 – Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility**

Liquor and gaming activities are conducted in a socially responsible manner

Being socially responsible means providing policies, regulations, and educational programs and tools to ensure the safe delivery of gaming and liquor activities. The AGLC believes that all Albertans have a role to play in social responsibility. For example, the AGLC's industry partners must comply with legislation while offering services that meet the needs of the public. Members of the public are encouraged to make informed choices and to follow the laws and regulations set out by the government (e.g., by following the age limits established for gambling and liquor activities).

Results for Goal 9 for 2008-09 include:

- developing initiatives encouraging the responsible sale and consumption of liquor;
- developing initiatives to prevent problem gambling; and
- enhancing responsible gaming programs.

Developing Initiatives Encouraging the Responsible Sale and Consumption of Liquor

The ProTect Security Staff Training Program was designed for individuals whose job responsibilities include controlling access to licensed premises, checking for proper proof of age, crowd control, and monitoring and intervening to prevent aggressive actions.

ProTect training became mandatory on January 1, 2009 for all individuals who work in a security position or manage/supervise security staff, or for those who manage or work for a security company contractor to provide security in bars and nightclubs. In 2008-09, 2,258 individuals completed ProTect training.

The AGLC also partnered with Alberta Health Services, community stakeholders, and other government ministries to develop the Alberta Alcohol Strategy. This strategy will serve as a coordinated approach to help prevent and reduce harms associated with alcohol use in the province by developing a culture of moderation.

Developing Initiatives to Prevent Problem Gambling

The AGLC partnered with Alberta Health Services to develop a strategy entitled "Both Sides of the Coin". This strategy was designed to ensure that Albertans who choose to gamble have the resources they need to make informed decisions, to minimize gambling related harm, and to create healthy, sustainable gambling environments.

A working committee is currently updating the strategy by bringing new initiatives forward in the areas of responsible and problem gambling. A consultation was also held with gaming stakeholders in October 2008 and work has begun on an implementation plan for a five-year period.

Enhancing Responsible Gaming Programs

In 2008-09, the AGLC launched online versions of the Deal Us In program (mandatory for all casino and racing entertainment centre staff) and A Good Call program (mandatory for bingo staff). At March 31 2009, the AGLC has five responsible gaming and liquor training programs, four of which are available online. For more information, visit the AGLC SMART Training programs on the AGLC website at www.aglc.ca.

Performance Measures: Satisfaction with Responsible Provision of Liquor and Gaming

The AGLC is committed to the responsible service and consumption of liquor products. It works with liquor licensees and the public to offer a number of programs and tools designed to meet social responsibility requirements set out in legislation, regulation and policy. The AGLC measures satisfaction with the responsible provision of liquor to provide an indication of the success of these partnerships, programs and tools.

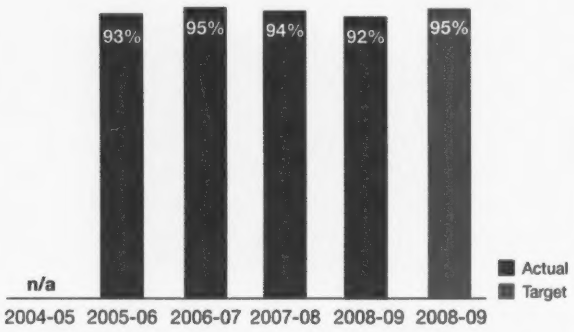
The AGLC also ensures that gaming activities in Alberta are conducted with integrity and social responsibility. It is important that Albertans be able to enjoy gambling in a fair and responsible environment. To assist in this endeavour, the AGLC monitors Albertans' satisfaction in this area.

Performance Measure 9.a – Percentage of Albertans Satisfied that Liquor is Provided in a Responsible Manner

Reviewed by Auditor General

More than nine out of ten Albertans – 92 per cent – were satisfied that the sale and service of liquor occurred in a responsible manner. This result is slightly below the business plan target of 95 per cent, but is consistent with data obtained over the past five years. The AGLC will continue to work collaboratively with stakeholders and clients to encourage the responsible sale and consumption of liquor in the province.

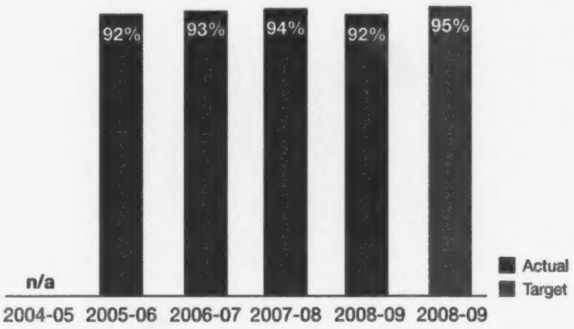
Figure 24
Satisfaction that Liquor was Provided in a Responsible Manner (percentage per year)
Source: 2009 AGLC Public Opinion Survey – Leger Marketing



Performance Measure 9.b – Percentage of Albertans Satisfied that the Gaming Activity they Participated in was Provided Fairly and in a Responsible Manner

Ninety-two per cent of Albertans were satisfied that the gaming activity they participated in was provided fairly and responsibly. Although the results fall slightly below the business plan target, satisfaction levels remain high. The AGLC will continue to fulfill its regulatory role to ensure that gaming integrity is maintained in Alberta.

Figure 25
Satisfaction that Gaming was Provided Fairly and in a Responsible Manner (percentage per year)
Source: 2009 AGLC Public Opinion Survey – Leger Marketing



Future Performance Measures

For accountability purposes, the results for all performance measured identified in a business plan are reported in the corresponding annual report. The Ministry's 2009-12 Business Plan includes one goal with two performance measures for the AGLC. These measures are:

- the percentage of Albertans satisfied with the conduct of the liquor business in Alberta; and
- the percentage of Albertans satisfied with the conduct of legal gaming in Alberta.

The Ministry's 2009-10 Annual Report will report on these measures.

Other AGLC performance measures currently included in ministry reporting are included in the AGLC's 2009-12 Business Plan and will be reported on in the AGLC's 2009-10 Annual Report.

Criminal Code Reporting – Required Reports

The *Criminal Code* requires the Solicitor General and Minister of Public Security of Alberta to report annually on the following parts of the act.

Criminal Code s. 25.3 – Organized Crime and Law Enforcement – Designations

Section 25.3 of the *Criminal Code* provides a limited justification for otherwise illegal acts and omissions by law enforcement officers, and others acting at their discretion. An essential condition is that it can apply only to officers designated by a competent authority. In the case of municipal police services, the Solicitor General and Minister of Public Security is the competent authority.

The competent authority is responsible for publishing an annual report on the designations and authorizations provided under subsections 24.1 to 25.4 of the *Criminal Code*. This report shall include information on the amount and nature of the acts or omissions committed by those officers designated under this legislation.

Alberta began designating officers under this legislation in March 2003. Although some municipal police services have officers designated, there was only one use of the designation during 2008:

- Number of times that acts and omissions were committed: 1.
- Nature of conduct being investigated: drug offence.
- Nature of act or omission: property damage.

Criminal Code s. 83.3(3) – Anti-Terrorism – Arrests without Warrant

Anti-Terrorism Act

In accordance with subsection 83.3(4) of the *Criminal Code*, a peace officer who suspects on reasonable grounds that the detention of a person is necessary to prevent a terrorist activity, may arrest the person without a warrant.

Pursuant to subsection 83.31(3) of the *Criminal Code*, the minister responsible for policing in every province shall publish or otherwise make available to the public an annual report for the previous year on the operation of subsection 83.3 of the *Criminal Code* that includes:

a) The number of arrests without warrant that were made under subsection 83.3(4) and the period of the arrested person's detention in custody in each case; and

b) The number of cases in which a person was arrested without warrant under subsection 83.3(4) and was released.

Information has been received from all police services in Alberta indicating that no arrests were made under this subsection in the previous year therefore, the report for 2008 is nil.

Performance Measures Methodology

GOAL 1 **Linked to Core Business 1 – Law Enforcement and Crime Prevention**

Leadership for effective and innovative law enforcement

From 2002 to 2007, Alberta Solicitor General and Public Security partnered with Alberta Justice and Attorney General to commission an annual survey to determine the public's opinion of the justice system. In 2008, the survey was commissioned solely by Alberta Solicitor General and Public Security, with a few questions of interest to Alberta Justice and Attorney General. That survey combined questions asked in previous years with more specific questions related to Solicitor General and Public Security programs and services.

In 2009, the two ministries conducted public opinion surveys independent of one another. The 2009 Solicitor General and Public Security survey was conducted between February and April 2009. A random and representative sample of adult Albertans was established based on Statistics Canada 2006 Census data. For each of six geographic regions of the province, the number of interviews in each age-gender segment was proportionate to the 2006 population estimates. The sample size was 1,200, providing a margin of error in the results no greater than + / - 2.8 per cent at the 95 per cent confidence level.

The public opinion survey was conducted by telephone by a professional survey firm. The survey was completed using a computer-assisted telephone interviewing system, allowing for ongoing tabulation of results by professionally-trained interviewers. Ten per cent of all interviews were monitored online.

Performance Measure 1.a – Victimization Rate

This measure is based on responses to a question asking respondents whether they had been the victim of a crime in the past year. Results reported indicate the percentage of respondents identifying that they had been the victim of a crime, without prompting.

Following the unprompted question, respondents were read specific descriptions of a number of crimes. For each, they were asked if they had been a victim of that crime in the past year. When prompted with specific crimes, some respondents acknowledged having been victimized, even though they had earlier said that they were not victims. A total of 435 respondents among the 1,200 Albertans interviewed, when prompted, said that they had been a victim of a crime.

Performance Measure 1.b – Property Crime Rate

Crime statistics are collected using the Uniform Crime Reporting Survey, which is a common survey instrument used to measure police-reported crime in each Canadian jurisdiction. Using population data from Statistics Canada, reported crime is converted into crime rates per 100,000 population. Previous year crime rates are revised annually by the Canadian Centre for Justice Statistics (CCJS) based on population count estimates.

"Crime" is defined as the total number of *Criminal Code* incidents as reported by police. "Property crime" includes unlawful acts committed with the intent of gaining property, but not involving the use or threat of violence against an individual. Theft, breaking and entering, fraud and possession of stolen goods are examples of property crime.

In 2007-08, the ministry returned to using a five-year comparison between Alberta and Canada, rather than a comparison between Alberta and the four western provinces, as a basis for setting targets for crime rates. Alberta had consistently had the lowest crime rates of the four western provinces, while the national rate had been consistently lower than Alberta's. A return to a comparison to the national rate represented a stretch target, encouraging program development and service delivery that may result in lowering Alberta's crime rate. Comparisons with the national rate also support sustained and targeted efforts in dealing with serious and organized crime.

Performance Measure 1.c – Violent Crime Rate

Crime statistics are collected using the Uniform Crime Reporting Survey as described under Performance Measure 1.b. "Violent crime" includes offences that deal with the application or threat of application of force to a person. Examples of these include murder, attempted murder, various forms of sexual and non-sexual assault, robbery, and abduction. Violent crime does not include traffic incidents that result in death or bodily harm.

As with Performance Measure 1.b., the target for the violent crime rate is based a five-year comparison between Alberta and Canada.

GOAL 2 **Linked to Core Business 1 – Law Enforcement and Crime Prevention**

Crime prevention and safety programs support safe Alberta communities

Performance Measure 2.a – Public Perception of Safety in the Home

This measure is based on an annual public opinion survey, as described under Performance Measure 1.a. For this measure, results from the Solicitor General and Public Security's survey are combined with results of a contemporary survey conducted for Alberta Justice and Attorney General, with a sample size of 750. The sample size for this question, therefore, is 1,950.

This measure is based on responses to the following question:

How safe do you feel from crime when you are in your own home after dark?

- very safe
- reasonably safe
- somewhat unsafe
- very unsafe
- don't know / not stated

Results reported for this measure include those indicating they feel "very safe" and "reasonably safe" and combine the results of both surveys.

Performance Measure 2.b – Public Perception of Safety in the Neighbourhood

This measure is based on as an annual public opinion survey, as described under Performance Measure 1.a. For this measure, results from the Solicitor General and Public Security's survey are combined with results of a contemporary survey conducted for Alberta Justice and Attorney General, with a sample size of 750. The sample size for this question, therefore, is 1,950.

This measure is based on responses to the following question:

How safe from crime do you feel walking alone in your neighbourhood or area after dark?

- very safe
- reasonably safe
- somewhat unsafe
- very unsafe
- don't know / not stated

Results reported for this measure include those indicating they feel "very safe" and "reasonably safe" and combine the results of both surveys.

GOAL 3 Linked to Core Business 2 – Custody, Supervision and Facilitation of Rehabilitative Opportunities for Offenders

Secure and efficient custody and community supervision

Performance Measure 3.a – Successful Completion of Temporary Absence Supervision

Data on temporary absences granted and temporary absences suspended due to re-offence is stored in the Correctional Management Information System (CoMIS), a mainframe system that provides information about offenders housed in provincial correctional centres. CoMIS data includes offender demographics, admissions, movements, charges and releases. It provides the ministry with a database of operational and statistical information. Each month, a data extract is produced from CoMIS for research purposes.

At the end of each month, the following numbers are produced from the CoMIS data:

- temporary absences granted for the month;
- temporary absences granted for the fiscal year to date;
- temporary absences suspended due to re-offence during the month; and
- temporary absences suspended due to re-offence for the fiscal year to date.

At the end of the last month of the fiscal year, four reports are produced from the CoMIS data:

1. The number of temporary absences granted for the month.
2. The total number of temporary absences granted for the entire fiscal year.
3. The number of temporary absences suspended due to re-offence during the month.
4. The total number of temporary absences suspended due to re-offence during the year.

The percentage of successful temporary absence completions is calculated as follows:

- A research officer reconciles the monthly reports (temporary absences granted and temporary absences suspended due to re-offence for the month) to the year-to-date reports (temporary absences granted and temporary absences suspended due to re-offence for the year to date).
- The research officer then subtracts the number of temporary absences suspended due to re-offence from the number of temporary absences granted and divides the result by the total number of temporary absences granted.

A monthly report is prepared and circulated for senior management information. An annual report is also produced. For reporting purposes, the data extract is approximated through rounding.

Performance Measure 3.b – Per Diem Cost for Housing Adult Offenders in a Correctional Facility

This measure is calculated to conform with reporting instructions provided by the Canadian Centre for Justice Statistics (CCJS). The centre's reporting instructions include actual costs charged to correctional services' budget and make Alberta results comparable to those from other Canadian jurisdictions.

The per diem cost is calculated by dividing the actual costs directly charged to correctional services for custody of offenders at government-operated adult remand centres, correctional centres and associated camps by the number of total days stay.

The number of total days stay is calculated by multiplying the average daily adult custody population by 365 days. The average daily adult custody population, including adult intermittent servers, is based on population statistics from the Corrections Management Information System (CoMIS) (this is an aggregate daily calculation).

Actual costs are those charged to the Ministry of Solicitor General and Public Security correctional services budget. These costs include personnel and general supplies for inmates/offenders such as food and clothing, as well as the cost of services such as Elders, chaplains, dentists, doctors, and laundry.

Costs exclude those incurred by other ministries (Infrastructure, Transportation, Municipal Affairs, Education, and Advanced Education and Technology) and costs not directly associated with running government-operated adult correctional centres, such as community corrections, head office or costs for purchased community services (e.g., community supervision).

The per diem cost per offender is directly proportional to the number and cost of staff required to run provincial correctional and remand facilities and is inversely proportional to the number of offenders in custody. This measure is also influenced by the cost of food, medical services and other services and programs.

Performance Measure 3.c – Number of Escape Incidents from Secure Custody (within a correctional facility) or During Transport

All adult correctional centres and young offender centres report the number of escapes from secure custody on Monthly Offender Activity Reports. These reports are forwarded to head office.

To be counted as an "escape from secure custody", the escape must meet all of the requirements for a prison breach as described in the *Criminal Code of Canada*. Offenders who walk away from minimum-security settings such as work camps and group homes, or who fail to return from a period of temporary absence, are not counted as escapes from secure custody.

When a centre reports an escape from secure custody, a head office investigation verifies that the reported escape is an escape from within the secure confines of a correctional centre. The investigation also determines the circumstances of the incident.

If an escape incident occurs when transporting an offender, staff involved in the transport prepare an incident report. This incident report is submitted to management. If police become involved in apprehending the offender, a police report is prepared as well.

Management conducts investigations into all escape incidents and takes further action as needed.

GOAL 4 **Linked to Core Business 2 – Custody, Supervision and Facilitation of Rehabilitative Opportunities for Offenders**

Offenders have the opportunity to access rehabilitative services and programs

Performance Measure 4.a – Percent of Incarcerated Offenders Involved in Work, Education, Treatment or Life Management Programs

This measure is calculated by dividing the estimated average daily number of sentenced adult offenders and sentenced and remanded young offenders involved in work, education, treatment or life management programs by the average daily population of eligible offenders. (Remanded adult inmates are not included because they have not been found guilty of an offence and are not required to participate in activities.)

Staff in each correctional centre calculate a monthly average number of offenders involved in work, education, treatment, or life management programs and enter this information on a Monthly Offender Activity Report which is forwarded to head office. These reports are compiled for all correctional centres in the province.

Average population statistics for correctional centres are produced using CoMIS (see Performance Measure 3.a). Head office uses the data from the Monthly Offender Activity Reports and the average population statistics from CoMIS to calculate the results for this measure on a monthly basis.

GOAL 5 Linked to Core Business 3 – Protection Services for Officials, Facilities and Infrastructure

Officials and infrastructure in Alberta are safe and secure

Performance Measure 5.a – Satisfaction with Services or Information from the Alberta Security and Strategic Intelligence Support Team (ASSIST)

Data for this measure is obtained from a client satisfaction survey conducted by a professional survey firm. The survey uses a combination of telephone and online data collection methods and was last conducted in April and May 2009.

The sample is developed from lists of clients provided by Alberta Solicitor General and Public Security. Duplicate names are removed from the various lists prior to conducting the survey. A total of 380 clients participated in the survey in 2008-09. The survey methodology involved a census approach, and thus there is no calculation for confidence levels.

Clients with e-mail addresses were initially contacted by e-mail. Clients without e-mail addresses were initially contacted by telephone. To promote a high response rate, all interviews were conducted at a time and using a means (online versus telephone) preferred by the client.

E-mail clients were sent a link to the survey website, along with a confidential personal identification number. Clients participating online entered their responses directly into the data file.

Professionally trained interviewers conducted all telephone interviews from a central telephone facility. In these cases, the telephone interviewers entered the data into the data file.

Results for this measure are based on client responses to the following question:

When thinking about all the information and services that you received from ASSIST in the past 12 months, overall how satisfied are you with information and services from ASSIST?

- very satisfied
- somewhat satisfied
- neutral
- somewhat dissatisfied
- very dissatisfied

Responses in the "very satisfied" and "somewhat satisfied" categories are added together and divided by the total sample size to determine the overall stakeholder satisfaction rate.

GOAL 6 **Linked to Core Business 4 – Victims Programs and Services**

Victims of crime receive assistance, information and support

Performance Measure 6.a – Satisfaction with Services Provided by Employees and Volunteers within the Criminal Justice System

Data for this measure is obtained from a question on a survey included in the Victim Services *Application for Financial Benefits* package. Results are compiled from the pages completed by individuals applying for financial benefits who choose to respond to this question at the time they apply.

In 2008-09, a total of 2,385 new applications for financial benefits were received. Individuals applying for benefits returned 672 completed surveys. Of these, 651 provided responses to this question. This represents a response rate of 27 per cent.

Results for this measure are based on applicants' responses to the following question:

How would you rate the overall service provided to you so far by the employees and volunteers within the criminal justice system?

- very dissatisfied
- somewhat dissatisfied
- neither satisfied nor dissatisfied
- somewhat satisfied
- very satisfied

The Victims Services Branch tracks results for this measure and results are entered on a spreadsheet according to the month of receipt of completed surveys. The overall annual satisfaction rating is calculated by totalling all scores for the survey question and dividing this total by the total number of valid completed responses to the question for the year.

For the 2008-09 fiscal year, the number of surveys with ratings of four or five were tallied on a monthly, quarterly and annual basis. For the 2008-09 fiscal year, a total of 500 surveys included ratings of four or five. This represented 77 per cent of all completed surveys.

GOAL 7 **Linked to Core Business 5 – Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility**

Liquor activities are conducted with integrity

Performance Measure 7.a – Percentage of Albertans satisfied with the conduct of the liquor business in Alberta

The AGLC commissions an annual survey to determine the public's opinion of the conduct of the liquor and gaming industries in Alberta. The public opinion survey is conducted by a third-party external consultant. In 2008-09, the survey included 45 questions and took approximately 15 minutes to complete. It was last conducted between February 11 and March 21, 2009.

Professionally trained interviewers conducted all interviews by telephone from a central facility. Ten per cent of all interviews were monitored while in progress. Respondents were provided with the option of completing the survey on the internet; however, no respondents chose this option.

The sample size in 2009 was 1,004, consisting of a random and representative percentage of adult Albertans, drawn from the most recent residential phone listings. The last digit of each phone number was randomized to allow inclusion of new and unpublished listings. Using Statistics Canada population estimates dated July 1, 2007 the number of interviews was proportionate to the regional population and representative by gender and age. Results are considered reliable to within + / - 3.1 per cent at the 95 per cent confidence level.

This measure is based on responses to the following question:

Now, thinking about the liquor business in Alberta, how satisfied are you with the way the liquor business is conducted in Alberta. Would you say you are:

- very satisfied
- satisfied
- somewhat satisfied
- somewhat dissatisfied
- dissatisfied
- very dissatisfied
- don't know/not stated

Respondents were considered to be "satisfied" if they indicated they were very satisfied, satisfied, or somewhat satisfied.

GOAL 8 Linked to Core Business 5 – Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility

Alberta's gaming industry operates with integrity and benefits Albertans

Performance Measure 8.a – Percentage of Albertans satisfied with the conduct of legal gaming in Alberta

The methodology for this measure is as described under Performance Measure 7.a.

This measure is based on responses to the following question:

Now, thinking about all the gaming entertainment products and activities that we have just mentioned, overall, how satisfied are you with the conduct of legal gaming entertainment in Alberta. Would you say you are:

- very satisfied
- satisfied
- somewhat satisfied
- somewhat dissatisfied
- dissatisfied
- very dissatisfied
- don't know/not stated

Respondents were considered to be "satisfied" if they indicated they were very satisfied, satisfied, or somewhat satisfied.

GOAL 9 **Linked to Core Business 5 – Regulate Liquor and Gaming in Alberta and Encourage Social Responsibility**

Liquor and gaming activities are conducted in a socially responsible manner

Performance Measure 9.a – Percentage of Albertans satisfied that liquor is provided in a responsible manner

The methodology for this measure is as described under Performance Measure 7.a.

The measure is based on a weighted average for the following:

- respondents' level of satisfaction with the sale of liquor in a responsible manner; and
- respondents' level of satisfaction with the service of liquor in a responsible manner.

For both questions, the response options were:

- very satisfied
- satisfied
- somewhat satisfied
- somewhat dissatisfied
- dissatisfied
- very dissatisfied
- don't know / not stated

Respondents were considered to be "satisfied" if they indicated that they were very satisfied, satisfied, or somewhat satisfied.

Performance Measure 9.b – Percentage of Albertans satisfied that the gaming activity they participated in was provided fairly and in a responsible manner

The methodology for this measure is as described under Performance Measure 7.a.

The measure is based on a weighted average for the following:

- Respondents' level of satisfaction that the gaming activity they participated in was provided fairly and in a responsible manner.

Game options were:

- bingos
- raffles
- pull-tickets, break-opens, or Nevada tickets
- video lottery terminals or VLTs in bars or lounges
- slot machines in casinos
- slot machines at racetracks
- table games in casinos
- lottery tickets

Response options were:

- very satisfied
- satisfied
- somewhat satisfied
- somewhat dissatisfied
- dissatisfied
- very dissatisfied
- don't know / not stated

Respondents were considered to be "satisfied" if they indicated that they were very satisfied, satisfied, or somewhat satisfied.

Forward-Looking Information

The ministry will work with law enforcement and public safety partners in Alberta to address criminal activity pressures including the production and sale of illicit drugs, organized crime, gang activity, internet crime and identity theft. The ministry will also work with other western provinces on cooperative approaches to tackle gang and organized crime activities.

Initiatives such as the Alberta First Responders Radio Communication System and the Alberta Police Integrated Information Initiative will enhance integration and interoperability of enforcement activities. A new Law Enforcement Framework is being developed to modernize the organization and deployment of police services in a way that allows for maximum flexibility at the community level while ensuring equitable access to certain specialized police services on a provincewide basis. The framework will jointly address the dimensions of service delivery, governance and funding.

The Ministries of Solicitor General and Public Security and Justice and Attorney General are co-sponsoring the Alberta Gang Crime Suppression Initiative to suppress gang activity in the province using a comprehensive approach. This initiative is linked to the recommendations from the Crime Reduction and Safe Communities Task Force Report (specifically recommendations #2, 7, 12, 13, 14, 16, 19 and 29). Implementation of additional task force recommendations will lead to further progress in the areas of enforcement, crime prevention and treatment/intervention.

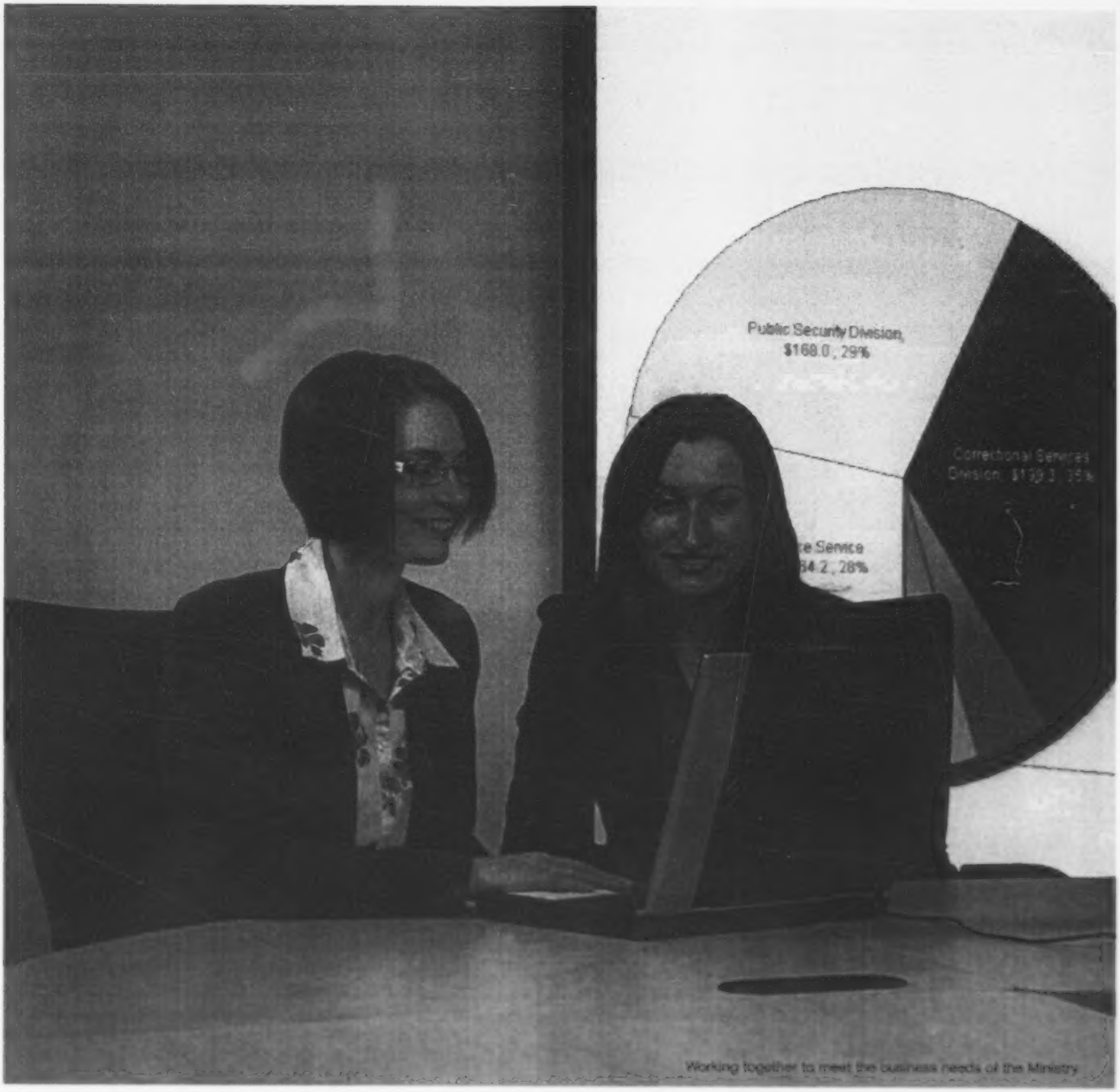
The *Blueprint for the Future of Corrections* provides long-term guidance for addressing the changing characteristics of inmate/offender populations. The new Edmonton Remand Centre will provide a solution to overcrowding in the provincial correctional system. The ministry will continue working with other provincial ministries and organizations to address inmate access to educational and health services, provide integrated services for offenders, and enhance programming for young offenders and at-risk youth.

The Security and Strategic Intelligence Support team will lead counter-terrorism crisis management planning, with emphasis on providing value-added services and building partnerships to meet ongoing security challenges.

Programs and services for victims of crime will include financial benefits, enhanced access to information, and expanded services for victims of crime in Aboriginal and isolated communities.

The Alberta Gaming and Liquor Commission will work with stakeholders and members of the public to develop innovative programs to ensure integrity and promote the responsible use of gaming and liquor products in Alberta.

The Ministry Business Plan will reflect progress on major initiatives as well as program innovations and refinements in the ministry's internal process. For 2009-12, the Ministry Business Plan includes integration of protection services into Core Business One (Law Enforcement and Crime Prevention) and introduction of new strategic priorities related to Crime Prevention and Gang Crime suppression. In addition, AGLC's activities are captured in a single business plan goal incorporating integrity of liquor and gaming and social responsibility. The AGLC has its own business plan and annual report that provide detailed information on the commission's strategies, activities, results and performance measures.


Public Security Division, $168.0 , 29%
Correctional Services Division, $199.3 , 35%
ce Service
84.2 , 28%

Working together to meet the business needs of the Ministry

Financial Information

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Ministry of Solicitor General and Public Security Consolidated Financial Statements

Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of the Solicitor General and Public Security as at March 31, 2009, and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
June 4, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Consolidated Statement of Operations

For the Year Ended March 31, 2009
(in thousands)

	2009		2008
	Budget (Schedule 3)	Actual	Actual (restated)
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 21,287	$ 22,098	$ 20,855
Net Income from Alberta Gaming and Liquor Commission			
Lottery Revenue	1,516,418	1,511,529	1,615,256
Liquor and Related Revenue	680,489	684,468	678,240
Investment Income	7,000	11,718	18,454
Premiums, Fees and Licenses	500	553	540
Other Revenue	28,598	33,192	28,348
	2,254,292	2,263,558	2,361,693
Expenses - Directly Incurred (Note 2b and Schedule 5)			
Voted (Schedule 2)			
Ministry Support Services	24,719	27,763	24,186
Public Security	332,701	322,813	287,683
Correctional Services	198,175	199,658	179,984
Gaming Research	1,600	1,581	1,555
Lottery Fund Payments to Other Ministries	1,520,818	1,520,546	1,630,829
	2,078,013	2,072,361	2,124,216
Statutory (Schedule 3)			
Valuation Adjustments			
Provision for Doubtful Accounts	200	344	(39)
Provision for Vacation Pay	67	2,255	3,084
	267	2,599	3,045
Regulated Fund			
Victims of Crime	25,357	24,751	18,721
	2,103,637	2,099,711	2,145,982
Net Operating Results	$ 150,655	$ 163,847	$ 215,711

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at March 31, 2009
(in thousands)

	2009	2008 (restated)
Assets		
Cash and Cash Equivalents (Note 3)	$ 70,913	$ 203,577
Accounts Receivable (Note 5)	28,256	24,289
Advances	2	2
Tangible Capital Assets (Note 6)	16,958	11,975
Equity in Alberta Gaming and Liquor Commission (Note 7)	369,138	378,294
	$ 485,267	$ 618,137
Liabilities		
Accounts Payable and Accrued Liabilities	$ 158,327	$ 285,024
Unearned Revenue (Note 8)	42,400	–
	200,727	285,024
Net Assets		
Net Assets at Beginning of Year	333,113	327,844
Net Operating Results	163,847	215,711
Net Financing Provided from (for) General Revenues	(212,420)	(210,442)
Net Assets at End of Year	284,540	333,113
	$ 485,267	$ 618,137

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the Year Ended March 31, 2009
(in thousands)

	2009	2008 (restated)
Operating Transactions		
Net Operating Results	$ 163,847	$ 215,711
Non-cash items included in Net Operating Results		
Amortization	2,701	1,602
Loss on Disposal of Tangible Capital Assets	15	–
Valuation Adjustments	2,599	3,045
Undistributed Profit of Alberta Gaming and Liquor Commission	9,156	(25,468)
	178,318	194,890
(Increase) Decrease in Accounts Receivable	(4,311)	13,225
Decrease in Advances	–	1
(Increase) Decrease in Accounts Payable and Accrued Liabilities	(86,552)	84,737
Cash Applied to Operating Transactions	87,455	292,853
Capital Transactions		
Acquisition of Tangible Capital Assets	(7,717)	(4,655)
Proceeds on Disposal/Sale of Tangible Capital Assets	18	–
Transfers from Infrastructure and Transporation and Alberta Justice	–	(175)
Cash Applied to Capital Transactions	(7,699)	(4,830)
Financing Transactions		
Net Financing Provided from (for) General Revenues	(212,420)	(210,442)
(Decrease) Increase in Cash and Cash Equivalents	(132,664)	77,581
Cash and Cash Equivalents, Beginning of Year	203,577	125,996
Cash and Cash Equivalents, End of Year	$ 70,913	$ 203,577

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 1
Authority and Purpose

The Ministry of the Solicitor General and Public Security has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. To fulfill these responsibilities, the Solicitor General and Minister of Public Security administers the organizations listed below. The authority under which each organization operates is also listed. Together, these organizations form the Ministry of the Solicitor General and Public Security.

Organization/Authority

- The Department of the Solicitor General and Public Security/ *Government Organization Act*
- Victims of Crime Fund/ *Victims of Crime Act*
- Alberta Lottery Fund/ *Gaming and Liquor Act*
- Alberta Gaming and Liquor Commission/ *Gaming and Liquor Act*

The ministry's purpose is to work in partnership with Albertans to promote safe, secure communities through effective law enforcement, security, correctional and victim services and ensure integrity and accountability and social responsibility in Alberta's gaming and liquor industries.

Note 2
Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared primarily in accordance with the following accounting policies that have been established by government for all departments. The PSAB financial presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Ministry of the Solicitor General and Public Security for which the Solicitor General and Minister of Public Security is accountable. These financial statements include the activities of the Department of the Solicitor General and Public Security, the Victims of Crime Fund (a regulated fund), the Alberta Lottery Fund and the Alberta Gaming and Liquor Commission.

(b) Basis of Financial Reporting

Basis of Consolidation

The accounts of the department and the Victims of Crime Fund and Alberta Lottery Fund have been consolidated after adjusting them to a basis consistent with the accounting policies described below. Revenue and expense transactions, investing and financing transactions and related asset and liability accounts between these consolidated organizations are eliminated upon consolidation.

The accounts of the Alberta Gaming and Liquor Commission, which is designated as a commercial enterprise, are reported on the modified equity basis, the equity being computed in accordance with Canadian generally accepted accounting principles.

Notes to the Consolidated Financial Statements

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made.

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs, which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Grants are recognized as expenses when authorized, the eligibility criteria, if any, is met, and when a reasonable estimate of amounts can be made.

Incurred by Others

Services incurred by other entities in support of the ministry's operations are disclosed in Schedule 5.

Assets

Financial assets of the ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets required by right are not included. Tangible capital assets of the ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the ministry and its liabilities.

Notes to the Consolidated Financial Statements

Note 2
Summary of Significant Accounting Policies and Reporting Practices

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Accounts receivable of $18,979 (2008 – $17,652) are subject to measurement uncertainty. Victims of Crime Fund accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of $1,057 (2008 – $1,049) have been deducted from total outstanding surcharges of $19,174 (2008 – $17,704) to arrive at reported revenue and related accounts receivable. The estimate of $1,057 is based on the actual percentage satisfied in this matter from April 1, 2008 to March 31, 2009. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $8,587 (2008 – $4,520) in these financial statements, is subject to measurement ncertainty. See Note 9.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 3
Cash and Cash Equivalents

(in thousands)

Included in cash and cash equivalents are deposits of $32,724 for Alberta Lottery Fund and $38,161 for the Victims of Crime Fund in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at March 31, 2009, securities held by the CCITF have a time-weighted rate of return of 3.0 per cent per annum (March 31, 2008: 4.5 per cent per annum).

Notes to the Consolidated Financial Statements

Note 4
Budgetary Transfer and Prior Period Restatement

(in thousands)

Effective April 1, 2008, the ministry transferred the budgetary responsibility for the functional reporting of certain technology services to the Ministry of Service Alberta. The 2008 comparative financial statements have been restated to reflect this change as if it occurred in the prior period to provide comparative information on the same basis as for 2009. As a result of this restatement, expenses for 2008 were decreased by $1,365 and Net Financing Provided for General Revenues increased by $1,365, resulting in no net change in Net Assets at March 31, 2008.

Note 5
Accounts Receivable

(in thousands)

	2009			2008
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 6,643	$ –	$ 6,643	$ 5,560
Surcharges	20,147	1,168	18,979	17,652
Other	2,634	–	2,634	1,077
	$ 29,424	$ 1,168	$ 28,256	$ 24,289

Accounts receivable are unsecured and non-interest bearing.

Notes to the Consolidated Financial Statements

Note 6
Tangible Capital Assets

(in thousands)

	Equipment	Computer Hardware and Software	Other	Work in Progress*	2009 Total	2008 Total
Estimated Useful Life	10 years	5 years	3 years			
Historical Cost						
Beginning of year	$ 12,035	$ 1,593	$ 2,525	$ 2,396	$ 18,549	$ 13,844
Additions	2,996	2,120	1,425	1,176	$ 7,717	4,830
Disposals, including write-downs	(367)	(119)	(28)	–	(514)	(125)
	$ 14,664	$ 3,594	$ 3,922	$ 3,572	$ 25,752	$ 18,549
Accumulated Amortization						
Beginning of year	$ 5,018	$ 667	$ 889	$ –	$ 6,574	$ 5,097
Amortization expense	1,750	819	132	–	2,701	1,602
Effect of disposals	(367)	(95)	(19)	–	(481)	(125)
	$ 6,401	$ 1,391	$ 1,002	–	$ 8,794	$ 6,574
Net Book Value at March 31, 2009	$ 8,263	$ 2,203	$ 2,920	$ 3,572	$ 16,958	
Net Book Value at March 31, 2008	$ 7,017	$ 926	$ 1,636	$ 2,396		$ 11,975

*Work in Progress includes $1,339 for the Government of Alberta Domain Migration, $1,415 for the Alberta Police Integrated Initiative, $328 for enhancements to existing systems and $490 for IRIS Scan equipment.

Note 7
Equity in Alberta Gaming and Liquor Commission (AGLC)

(in thousands)

	2009	2008
Equity in AGLC, beginning of year	$ 378,294	$ 352,826
Total revenues	27,089,674	28,315,324
Total expenses	(24,893,677)	(26,021,828)
Net transfers	(2,205,153)	(2,268,028)
Equity in AGLC, end of year	$ 369,138	$ 378,294

Notes to the Consolidated Financial Statements

Note 8

Unearned Revenue

(in thousands)

In 2008-09, the ministry received $42,400 payment from the Government of Canada pursuant to a $400,000, five-year initiative to recruit new police officers in provinces and territories under the Police Officers Recruitment Fund. In accordance with the department's accounting policy, this payment was recorded as unearned revenue since no resources have been used for the purpose specified under the program. The department has been working with Alberta's police services in identifying and examining possible strategies for recruiting and retaining police officers and expects to implement such strategies in 2009-10.

Note 9

Contractual Obligations

(in thousands)

As at March 31, 2009, the ministry is committed under contracts, which expire on various dates to March 31, 2013, totalling $596,641 (2008 – $558,525). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement for 2008-09 was estimated at $172,963 (2008 – $150,680). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice, served on March 31 in any year. The commitment, based on the minimum notice period, is estimated to be $557,639 as at March 31, 2009 (2008 – $502,274), which represents payments for policing services until March 31, 2012.

The ministry leases vehicles under operating leases, which expire on various dates to March 31, 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year		**(in thousands)**
2010	$	660
2011		164
2012		–
2013		–
Thereafter		–
Total	$	824

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The director under the *Victims of Crime Act* assumed the administrative responsibility and the Victims of Crime Fund (VOCF) assumed financial responsibility for future obligations associated with the former board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Victims of Crime Fund (VOCF) of any significant change in circumstance or status between review dates.

In March 2009, thirty four eligible recipients received a monthly payment (thirty five eligible recipients in March 2008). The estimated amount of all payments to eligible recipients for future years is as follows:

Year		**(in thousands)**
2010	$	585
2011		531
2012		531
2013		531
2014		528
Thereafter		11,623
Total	$	14,329

Notes to the Consolidated Financial Statements

Note 9
Contractual Obligations (continued)

(in thousands)

In June 2008, a new supplemental benefit of $1,000 per month was made available to Victims of Crime whose injuries result in fully dependent quadriplegic or severe brain injury. This benefit is in addition to any lump sum award from the Victims Financial Benefits Program. The monthly benefit is also available to fully dependent quadriplegic or severe brain injured victims who have received financial benefits since the *Victims of Crime Act* came in to effect in 1997. Payments are not retroactive.

In March 2009, there are ten eligible recipients who will receive a monthly payment. The estimated amount of all payments to eligible recipients for future years is as follows:

Year		(in thousands)
2010	$	120
2011		120
2012		120
2013		120
2014		120
Thereafter		4,740
Total	$	5,340

The Victims of Crime Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $5,232 in 2009-10, $3,236 in 2010-11 and $387 in 2011-12.

As at March 31, 2009, the ministry has commitments for leased properties ranging from one to 23 years. Most of these properties have been subleased to third parties. The ministry remains liable for the leases should the sublessors default on their obligations to the ministry.

Year		(in thousands)
2010	$	1,745
2011		1,155
2012		1,088
2013		747
2014		179
Thereafter		1,390
Total	$	6,304

Estimated future revenues to be derived from subleases amount to $3.82 million at March 31, 2009. Provision for loss has been made where the payments to be received on the subleases are less than the lease payments to be made.

Notes to the Consolidated Financial Statements

Note 10
Contingencies

(in thousands)

As at March 31 2009, the ministry is a defendant in one hundred and twenty three legal claims (2008 – ninety five legal claims). One hundred and six of these claims have specified amounts totalling $326,999 and the remaining seventeen have no specified amount (2008 – eighty five claims with a specified amount of $258,009 and ten with no specified amount). Included in the total legal claims are fifteen claims amounting to $188,184 (2008 – ten claims amounting to $164,900) in which the ministry has been jointly named with other entities. Ninety-three claims amounting to $136,294 (2008 – seventy claims totalling $88,625) are covered by the Alberta Risk Management Fund.

The ministry entered into a lease amending agreement with a tenant on March 23, 2007. Under the terms of the agreement, the ministry has agreed to pay for certain capital investments up to $6,400 and will also assume certain third party premise leases for the remainder of the lease term, if a significant change in the terms of the tenant's appointment occurs before February 28, 2012. As of March 31, 2009, the ministry's potential liability is $3,240.

The resulting loss, if any, from these claims cannot be determined.

Note 11
Financial Benefits

(in thousands)

As at March 31, 2009, there were 2,124 (2008 – 1,351) active applications for financial benefits with the Victims of Crime Financial Benefits Program.

An estimated liability of $8,587 (2008 – $4,520), subject to measurement uncertainty, was recorded based on historical decision patterns and average award values. Additional information may be required to determine eligibility and amount for individual cases under regulations of the *Victims of Crime Act*.

Note 12
Trust Fund Under Administration

(in thousands)

The ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the ministry's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2009, the amount of the trust funds held under administration was $613 (2008 – $681), which was comprised of inmate trust funds of $279 (2008 – $287) and inmate welfare fund equity of $334 (2008 – $394).

The Alberta Gaming and Liquor Commission (AGLC) manages the collection, investment and distribution of the charities' share of proceeds/losses from table games at licensed charitable casino events.

The share of proceeds/losses from these table games allocated to charities is established in policy and by agreement between the participating charity and the relevant casino operator. These allocations are collected by AGLC and pooled by casino or region over a three month period. The pooled funds earn interest and AGLC deducts administrative fees from the pools. The net proceeds in each pool at the end of the pooling period are distributed equally to each charity holding a licensed charitable casino event in the casino/region during the pooling period.

Notes to the Consolidated Financial Statements

Note 12

Trust Fund Under Administration (continued)

(in thousands)

	2009	2008
Charitable Proceeds	$ 16,918	$ 14,832
Returned Funds	41	90
Held Charitable Proceeds	146	119
	$ 17,105	$ 15,041

Note 13

Payments Under Agreement

(in thousands)

The ministry has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Justice Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the ministry under authority of the *Financial Administration Act*, Section 25. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements.

Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2009, are $11 (2008 – $33).

Notes to the Consolidated Financial Statements

Note 14
Benefit Plans

(in thousands)

The ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $19,873 for the year ended March 31, 2009 (2008 – $16,795). In addition, the ministry contributes to the Western Canada Lottery Corporation (WCLC) Pension Plan. The ministry's portion of the WCLC pension expense is $534 for the year ended March 31, 2009 (2008 – $725).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 – $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 – $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 – surplus of $1,510). The ministry's portion of the WCLC surplus as at March 31, 2009 is $1,348 (2008 – deficiency of $1,266).

The ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 – $6,319) and the Management, Opted Out and Excluded Plan, an actuarial deficiency of $1,051 (2008 – actuarial surplus of $7,874). The expense for these two plans is limited to employer's annual contributions for the year.

Note 15
Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

Note 16
Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General and Deputy Minister of Public Security.

Schedule 1

Revenues

For the Year Ended March 31, 2009
(in thousands)

	2009 Budget	2009 Actual	2008 Actual
Transfer from the Government of Canada			
Youth Justice Program	$ 17,557	$ 17,951	$ 17,473
Federal Inmates Program	3,420	3,109	2,606
Other	310	1,038	776
	21,287	22,098	20,855
Lottery			
Video Lottery Terminal Revenue	679,115	591,939	702,771
Casino Gaming Terminal Revenue	851,992	869,289	849,390
Lottery Ticket Revenue	214,013	250,119	231,195
	1,745,120	1,711,347	1,783,356
Cost of Operations	(228,702)	(199,818)	(168,100)
	1,516,418	1,511,529	1,615,256
Liquor			
Liquor and Related Revenue	708,813	705,394	699,853
Cost of Operations	(28,324)	(20,926)	(21,613)
	680,489	684,468	678,240
Investment Income			
Lottery Fund Interest	6,000	10,627	17,172
Bank Interest	1,000	1,091	1,282
	7,000	11,718	18,454
Premiums, Fees and Licenses			
Private Investigators Fees	500	513	514
Other	–	40	26
	500	553	540
Other Revenue			
Surcharges	24,500	25,981	23,645
Recoveries for Enhanced Policing Services	3,758	4,498	3,454
Refunds of Expenditures	25	102	549
Miscellaneous	315	2,611	700
	28,598	33,192	28,348
	$ 2,254,292	$ 2,263,558	$ 2,361,693

Schedule 2

Expenses – Directly Incurred Detailed by Object

For the Year Ended March 31, 2009
(in thousands)

	2009		2008
	Budget	Actual	Actual (restated)
Voted			
Salaries, Wages and Employee Benefits	$ 229,772	$ 230,456	$ 200,022
Supplies and Services	249,572	248,269	224,444
Grants	1,596,216	1,590,943	1,698,216
Financial Transactions and Other	63	119	69
Amortization of Tangible Capital Assets	2,390	2,564	1,465
Total Voted Expenses	$ 2,078,013	$ 2,072,351	$ 2,124,216
Regulated Fund			
Salaries, Wages and Employee Benefits	$ 2,768	$ 2,550	$ 2,233
Supplies and Services	2,173	1,098	917
Grants	20,330	20,976	15,434
Amortization of Tangible Capital Assets	86	137	137
Total Regulated Fund Expenses	$ 25,357	$ 24,761	$ 18,721

Schedule 3

Budget

For the Year Ended March 31, 2009
(in thousands)

	2008 - 2009 Estimates	Authorized Supplementary (a) (b)	2008 - 2009 Authorized Budget
Revenues			
Transfer from the Government of Canada	$ 21,287	$ –	$ 21,287
Net Income from Alberta Gaming and Liquor Commission			
Video Lottery Terminal Revenue	679,115	–	679,115
Gaming Terminal Revenue	851,992	–	851,992
Ticket Lottery Revenue	214,013	–	214,013
Lottery Operation	(228,702)	–	(228,702)
Liquor and Related Revenue	708,813	–	708,813
Liquor Operations	(28,324)	–	(28,324)
Investment Income			
Lottery Fund Interest	6,000	–	6,000
Bank Interest	1,000	–	1,000
Premiums, Fees and Licenses			
Private Investigators Fees	500	–	500
Other Revenue	28,598	–	28,598
	2,254,292	–	2,254,292
Expenses – Directly Incurred			
Voted			
Ministry Support Services	24,719	1,418	26,137
Public Security	332,701	976	333,677
Correctional Services	198,175	–	198,175
Gaming Research	1,600	–	1,600
Lottery Fund Payments to Other Ministries	1,520,818	20,000	1,540,818
	2,078,013	22,394	2,100,407
Statutory			
Valuation Adjustments			
Provision for Doubtful Accounts	200	–	200
Provision for Vacation Pay	67	–	67
	267	–	267
Victims of Crime Fund	25,357	–	25,357
Total Expenses	2,103,637	22,394	2,126,031
Net Operating Results	$ 150,655	$ (22,394)	$ 128,261
Equipment/Inventory Purchases	$ 650	$ –	$ 650
Capital Investment	$ 23,790	$ –	$ 23,790

(a) Supplementary Estimates were approved on December 4, 2008.

(b) Supplementary Estimates of $ 11.5 million for Safe Communities are not reflected in the statements as they are reported by Alberta Justice.

Schedule 4

Related Party Transactions

For the Year Ended March 31, 2009
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the ministry.

The ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Postion at the amount of consideration agreed upon between the related parties:

	Other Entites	
	2009	2008 (restated)
Revenues		
Ministry of Energy	$ 419	$ –
Expenses – Directly incurred		
Grants – Departments	$ 1,520,556	$ 1,630,828
Finance – Risk Management and Insurance	325	265
Service Alberta	1,452	1,796
Parking	3	4
Other Services	–	5
	$ 1,522,336	$ 1,632,898
Payable to Alberta Finance	$ 25,156	$ 95,964
Payable to Ministry of Culture and Community Spirit	$ 4,068	$ 102,480
Payable to Ministry of Aboriginal Relations	$ 30,631	$ –

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 5.

	Other Entites	
	2009	2008 (restated)
Expenses – Incurred by Others		
Accommodation	$ 39,871	$ 35,863
Legal	473	385
Service Alberta and Treasury Board	5,245	5,332
Corporate Internal Audit Services	150	87
	$ 45,739	$ 41,667

The ministry receives services under contracts managed by the Ministry of Service Alberta and the Treasury Board. Any commitments under these contracts are reported by Service Alberta and Treasury Board.

Schedule 5

Allocated Costs

For the Year Ended March 31, 2009
(in thousands)

	2009								2008 (restated)
		Expenses – Incurred by Others				Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Service Alberta and Treasury Board	Corporate Internal Audit Services	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Voted:									
Ministry Support Services	$ 27,763	$ 1,038	$ 131	$ 5,245	$ 150	$ (30)	$ –	$ 34,297	$ 31,479
Public Security	322,813	1,570	164	–	–	903	–	325,450	290,042
Correctional Services	199,658	37,097	173	–	–	1,310	–	238,238	214,944
Gaming Research	1,561	–	–	–	–	–	–	1,561	1,555
Lottery Fund Payments to Other Ministries	1,520,556	–	–	–	–	–	–	1,520,556	1,630,828
	2,072,351	39,705	468	5,245	150	2,183	–	2,120,102	2,168,848
Regulated Fund:									
Victims of Crime	24,761	166	5	–	–	72	342	25,346	18,801
	$2,097,112	$ 39,871	$ 473	$ 5,245	$ 150	$ 2,255	$ 342	$ 2,145,446	$ 2,187,649

(1) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 4.

(3) Cost shown for Legal Services on Schedule 4, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:

- Vacation Pay – allocated to the program by employee.
- Doubtful Accounts Provision – estimated allocation to program.

Department of Solicitor General and Public Security Financial Statements

Auditor's Report

AUDITOR
GENERAL
Alberta

To the Solicitor General and Minister of Public Security

I have audited the statement of financial position of the Department of the Solicitor General and Public Security as at March 31, 2009, and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
June 4, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Statement of Operations

For the Year Ended March 31, 2009
(in thousands)

	2009		2008
	Budget (Schedule 3)	Actual	Actual (restated)
Revenues (Schedule 1)			
Transfer from the Government of Canada	$ 21,187	$ 21,998	$ 20,855
Internal Government Transfers	682,089	686,068	679,840
Premiums, Fees and Licenses	500	553	540
Other Revenue	4,098	7,176	4,589
	707,874	715,795	705,824
Expenses – Directly Incurred (Note 2b and Schedule 7)			
Voted (Schedules 2 and 4)			
Ministry Support Services	24,719	27,763	24,186
Public Security	332,701	322,813	287,663
Correctional Services	198,175	199,658	179,984
Gaming Research	1,600	1,561	1,555
	557,195	551,795	493,388
Statutory (Schedules 3 and 4)			
Valuation Adjustments			
Provision for Doubtful Accounts	100	2	–
Provision for Vacation Pay	67	2,183	3,124
	167	2,185	3,124
	557,362	553,980	496,512
Net Operating Results	$ 150,512	$ 161,815	$ 209,312

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2009
(in thousands)

	2009	2008 (restated)
Assets		
Cash	$ 28	$ 556
Accounts Receivable (Note 4)	297,984	303,908
Advances	2	2
Tangible Capital Assets (Note 5)	16,795	11,675
	$ 314,809	$ 316,141
Liabilities		
Accounts Payable and Accrued Liabilities	$ 87,378	$ 80,505
Unearned Revenue (Note 6)	42,400	–
	129,778	80,505
Net Assets		
Net Assets at Beginning of Year	235,636	236,766
Net Operating Results	161,815	209,312
Net Financing Provided from (for) General Revenues	(212,420)	(210,442)
Net Assets at End of Year	185,031	235,636
	$ 314,809	$ 316,141

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

For the Year Ended March 31, 2009
(in thousands)

	2009	2008 (restated)
Operating Transactions		
Net Operating Results	$ 161,815	$ 209,312
Non-cash items included in Net Operating Results		
Amortization	2,564	1,465
Loss on Disposal of Tangible Capital Assets	15	–
Valuation Adjustments	2,185	3,124
	166,579	213,901
Decrease (Increase) in Accounts Receivable	5,922	(7,953)
Decrease in Advances	–	1
Increase in Accounts Payable and Accrued Liabilities	47,090	9,854
Cash provided by Operating Transactions	219,591	215,803
Capital Transactions		
Acquisition of Tangible Capital Assets	(7,717)	(4,655)
Proceeds on Disposal/Sale of Tangible Capital Assets	18	–
Transfers from Infrastructure and Transporation and Alberta Justice	–	(175)
Cash Applied to Capital Transactions	(7,699)	(4,830)
Financing Transactions		
Net Financing Provided from (for) General Revenues	(212,420)	(210,442)
(Increase) Decrease in Cash	(528)	531
Cash, Beginning of Year	556	25
Cash, End of Year	$ 28	$ 556

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

Note 1
Authority and Purpose

The Department of the Solicitor General operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The department's purpose is to work in partnership with Albertans to promote safe, secure communities through effective law enforcement, and security and correctional services.

Note 2
Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the Public Sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (PSAB). The PSAB financial presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Department of the Solicitor General and Public Security, which is part of the Ministry of Solicitor General and Public Security for which the Solicitor General and Minister of Public Security is accountable. Other entities reporting to the minister include the Victims of Crime Fund (a regulated fund), the Alberta Gaming and Liquor Commission and the Alberta Lottery Fund.

The Results Analysis section of the Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the ministry's operations for which the Solicitor General and Minister of Public Security is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing from (for) General Revenues is the difference between all cash receipts and all cash disbursements made.

Notes to the Financial Statements

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made.

Expenses

Directly Incurred

Directly incurred expenses are those costs the department has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets;
- pension costs, which comprise the cost of employer contributions for current service of employees during the year; and
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Grants are recognized as expenses when authorized, the eligibility criteria, if any, is met, and when a reasonable estimate of amounts can be made.

Incurred by Others

Services contributed by other entities in support of the department's operations are disclosed in Schedule 7.

Assets

Financial assets of the department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the department and its liabilities.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Notes to the Financial Statements

Note 3
Budgetary Transfer and Prior Period Restatement

(in thousands)

Effective April 1, 2008, the department transferred the budgetary responsibility for the functional reporting of certain technology services to the Ministry of Service Alberta. The 2008 comparative financial statements have been restated to reflect this change as if it occurred in the prior period to provide comparative information on the same basis as for 2009. As a result of this restatement, expenses for 2008 decreased by $1,365 and Net Financing provided for General Revenues increased by $1,365 resulting in no net change in net assets at March 31, 2008.

Note 4
Accounts Receivable

(in thousands)

	2009			2008
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	$ 6,643	$ –	$ 6,643	$ 5,560
Other	2,602	–	2,602	1,077
AGLC	288,739	–	288,739	297,271
	$ 297,984	$ –	$ 297,984	$ 303,908

Accounts receivable are unsecured and non-interest bearing.

Notes to the Financial Statements

Note 5
Tangible Capital Assets

(in thousands)

	Equipment	Computer Hardware and Software	Other	Work in Progress*	2009 Total	2008 Total
Estimated Useful Life	10 years	5 years	3 years			
Historical Cost						
Beginning of year	$ 12,035	$ 907	$ 2,525	$ 2,396	$ 17,863	$ 13,158
Additions	2,996	2,120	1,425	1,176	$ 7,717	4,830
Disposals, including write-downs	(367)	(119)	(28)	–	(514)	(125)
	$ 14,664	$ 2,908	$ 3,922	$ 3,572	$ 25,066	$ 17,863
Accumulated Amortization						
Beginning of year	$ 5,018	$ 281	$ 889	–	$ 6,188	$ 4,848
Amortization expense	1,750	682	132	–	2,564	1,465
Effect of disposals	(367)	(95)	(19)	–	(481)	(125)
	$ 6,401	$ 868	$ 1,002	–	$ 8,271	$ 6,188
Net Book Value at March 31, 2009	$ 8,263	$ 2,040	$ 2,920	$ 3,572	$ 16,795	
Net Book Value at March 31, 2008	$ 7,017	$ 626	$ 1,636	$ 2,396		$ 11,675

*Work in Progress includes $1,339 for the Government of Alberta Domain Migration, $1,415 for the Alberta Police Integrated Initiative, $328 for enhancements to existing systems and $490 for IRIS Scan equipment.

Note 6
Unearned Revenue

(in thousands)

In 2008-09 the department received $42,400 payment from the Government of Canada pursuant to a $400,000 five-year initiative to recruit new police officers in provinces and territories under the Police Officers Recruitment Fund. In accordance with the department's accounting policy, this payment was recorded as unearned revenue since no resources have been used for the purpose specified under the program. The department has been working with Alberta's police services in identifying and examining possible strategies for recruiting and retaining police officers and expects to implement such strategies in 2009-10.

Notes to the Financial Statements

Note 7
Contractual Obligations

(in thousands)

As at March 31, 2009, the department is committed under contracts, which expire on various dates to March 31, 2013, totalling $596,308 (2008 – $558,525). This includes a commitment for the Provincial Police Service Agreement. The Provincial Police Service Agreement with Canada is a contract for the Royal Canadian Mounted Police to provide policing services to small communities and rural areas in Alberta. The term of this contract is from April 1, 1992 to March 31, 2012. The cost of this police service agreement for 2008-09 was estimated at $172,963 (2008 – $150,680). Under the terms of the agreement, Alberta may terminate the agreement with a two-year notice, served on March 31 in any year. The commitment, based on the minimum notice period, is estimated to be $557,639 as at March 31, 2009 (2008 – $502,274), which represents payments for policing services until March 31, 2012.

The department leases vehicles under operating leases, which expire on various dates to March 31, 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

Year	**(in thousands)**
2010	$ 660
2011	164
2012	–
2013	–
Thereafter	–
Total	$ 824

Note 8
Contingencies

(in thousands)

As at March 31 2009, the department is a defendant in one hundred and fourteen legal claims (2008 – eighty seven legal claims). Ninety-seven of these claims have specified amounts totalling $187,583 and the remaining seventeen have no specified amount (2008 – seventy seven claims with a specified amount of $220,137 and ten with no specified amount). Included in the total legal claims are ten claims amounting to $74,450 (2008 – six claims amounting to $152,700) in which the department was jointly named with other entities. Eighty-six claims amounting to $108,775 (2008 – sixty four claims totalling $61,904) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 9
Trust Funds Under Administration

(in thousands)

The department administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the department's financial statements.

Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2009, the amount of the trust funds held under administration was $613 (2008 – $681) which was comprised of inmate trust funds of $279 (2008 – $287) and inmate welfare fund equity of $334 (2008 – $394).

Notes to the Financial Statements

Note 10
Payments Under Agreement

(in thousands)

The department has an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of Justice Canada. Proceeds received from Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the department under authority of the *Financial Administration Act*, Section 25. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements.

Amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement with Justice Canada, for the year ended March 31, 2009, are $11 (2008 – $33) and are reflected in the Statement of Financial Position.

Note 11
Benefit Plans

(in thousands)

The department participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $ 15,603 for the year ended March 31, 2009 (2008 – $13,294).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 – $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 – $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 – surplus of $1,510).

The department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 – $6,319) and the Management, Opted Out and Excluded Plan, an actuarial deficiency of $1,051 (2008 – actuarial surplus of $7,874). The expense for these two plans is limited to employer's annual contributions for the year.

Note 12
Comparative Figures

(in thousands)

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

Note 13
Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General and Deputy Minister of Public Security.

Schedule 1

Revenues

For the Year Ended March 31, 2009
(in thousands)

	2009		2008
	Budget	Actual	Actual
Transfer from the Government of Canada			
Youth Justice Program	$ 17,557	$ 17,951	$ 17,473
Federal Inmates Program	3,420	3,109	2,606
Other	210	938	776
	21,187	21,998	20,855
Internal Government Transfers			
Transfer from Alberta Gaming and Liquor Commission	680,489	684,468	678,240
Transfer from Alberta Lottery Fund	1,600	1,600	1,600
	682,089	686,068	679,840
Premiums, Fees and Licenses			
Private Investigators Fees	500	513	514
Other	–	40	26
	500	553	540
Other Revenue			
Recoveries for Enhanced Policing Services	3,758	4,498	3,454
Refunds of Expenditures	25	67	435
Miscellaneous	315	2,611	700
	4,098	7,176	4,589
	$ 707,874	$ 715,795	$ 705,824

Schedule 2

Expenses – Directly Incurred Detailed by Object

For the Year Ended March 31, 2009
(in thousands)

	2009		2008
	Budget	Actual	Actual (restated)
Voted			
Salaries, Wages and Employee Benefits	$ 229,772	$ 230,456	$ 200,022
Supplies and Services	249,572	248,269	224,444
Grants	75,398	70,387	67,388
Financial Transactions and Other	63	119	69
Amortization of Tangible Capital Assets	2,390	2,564	1,465
Total Voted Expenses	$ 557,195	$ 551,795	$ 493,388

Schedule 3

Budget

For the Year Ended March 31, 2009
(in thousands)

	2008 - 2009 Estimates	Authorized Supplementary (a) (b)	2008 - 2009 Authorized Budget
Revenues			
Transfer from the Government of Canada	$ 21,287	$ –	$ 21,287
Internal Government Transfers			
Transfer from Alberta Gaming and Liquor Commission	680,489	–	680,489
Transfer from Lottery Fund	1,600	–	1,600
Premiums, Fees and Licenses	500	–	500
Other Revenue	4,098	–	4,098
	707,874	–	707,874
Expenses – Directly Incurred			
Voted			
Ministry Support Services	24,719	1,418	26,137
Public Security	332,701	976	333,677
Correctional Services	198,175	–	198,175
Gaming Research	1,600	–	1,600
	557,195	2,394	559,589
Statutory			
Valuation Adjustments			
Provision for Doubtful Accounts	100	–	100
Provision for Vacation Pay	67	–	67
	167	–	167
Total Expenses	557,362	2,394	559,756
Net Operating Results	$ 150,512	$ (2,394)	$ 148,118
Equipment/Inventory Purchases	$ 650	$ –	$ 650
Capital Investment	$ 23,790	$ –	$ 23,790

(a) Supplementary Estimates were approved on December 4, 2008.

(b) Supplementary Estimates of $ 11.5 million for Safe Communities are not reflected in the statements as they are reported by Alberta Justice.

Schedule 4

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

For the Year Ended March 31, 2009
(in thousands)

Department Summary

Program	2008 - 2009 Estimates	Authorized Supplementary (a)	2008 - 2009 Authorized Budget	2008 - 2009 Actual Expense (b) (c)	Unexpended (Over Expended)
Voted Operating, Equipment/ Inventory Purchases and Capital Investments					
1 Ministry Support Services	$ 48,509	$ 1,418	$ 49,927	$ 32,275	$ 17,652
2 Public Security	333,201	976	334,177	324,894	9,283
3 Correctional Services	198,325	–	198,325	200,782	(2,457)
4 Gaming Research	1,600	–	1,600	1,561	39
	$ 581,635	$ 2,394	$ 584,029	$ 559,512	$ 24,517
Operating Expense	$ 557,195	$ 2,394	$ 559,589	$ 551,795	$ 7,794
Equipment/Inventory Purchases	650	–	650	4,800	(4,150)
Capital Investment	23,790	–	23,790	2,917	20,873
	$ 581,635	$ 2,394	$ 584,029	$ 559,512	$ 24,517
Statutory Expenses					
Valuation Adjustments	$ 167	$ –	$ 167	$ 2,185	$ (2,018)
	$ 167	$ –	$ 167	$ 2,185	$ (2,018)

(a) Supplementary Estimates were approved on December 4, 2008.

(b) Supplementary Estimates of $11.5 million for Safe Communities are not reflected in the statements as they are reported by Alberta Justice.

(c) Includes achievement bonus amounting to $2,041.

Schedule 4

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

For the Year Ended March 31, 2009
(in thousands)

Program 1 – Ministry Support Services

Program	2008 - 2009 Estimates	Authorized Supplementary	2008 - 2009 Authorized Budget	2008 - 2009 Actual Expense	Unexpended (Over Expended)
1.0.1 Minister's Office	$ 422	$ –	$ 422	$ 380	$ 42
1.0.2 Deputy Minister's Office	646	–	646	645	1
1.0.3 Communications	668	–	668	648	20
1.0.4 Corporate Services					
Operating Expense	6,690	–	6,690	6,107	583
Equipment/Inventory Purchases	–	–	–	341	(341)
1.0.5 Information Technology					
Operating Expense	8,179	1,418	9,597	11,180	(1,583)
Equipment/Inventory Purchases	–	–	–	1,254	(1,254)
Capital Investment	23,790	–	23,790	2,917	20,873
1.0.6 Human Resources	5,298	–	5,298	5,795	(497)
1.0.7 Aboriginal Justice Initiatives	426	–	426	444	(18)
1.0.8 Amortization of Tangible Capital Assets	2,390	–	2,390	2,564	(174)
Total Program	$ 48,509	$ 1,418	$ 49,927	$ 32,275	$ 17,652

Schedule 4

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

For the Year Ended March 31, 2009
(in thousands)

Program 2 – Public Security

Program	2008 - 2009 Estimates	Authorized Supplementary	2008 - 2009 Authorized Budget	2008 - 2009 Actual Expense	Unexpended (Over Expended)
2.1 Program Support					
2.1.1 Program Support Services	$ 427	$ –	$ 427	$ 624	$ (197)
2.1.2 Law Enforcement Review Board	767	–	767	628	139
Total Sub-program	1,194	–	1,194	1,252	(58)
2.2 Policing Programs					
2.2.1 Crime Prevention	1,796	–	1,796	1,728	68
2.2.2 Provincial Policing Programs					
Operating Expense	192,664	566	193,230	187,980	5,250
Equipment/Inventory Purchases	–	–	–	91	(91)
2.2.3 First Nations Policing					
Operating Expense	9,777	–	9,777	8,466	1,311
Equipment/Inventory Purchases	–	–	–	6	(6)
2.2.4 Policing Assistance to Municipalities	47,949	–	47,949	47,932	17
2.2.5 Organized Crime	17,781	–	17,781	18,124	(343)
Total Sub-program	269,967	566	270,533	264,327	6,206
2.3 Sheriff's Branch					
2.3.1 Protection and Investigative Services					
Operating Expense	14,733	410	15,143	13,816	1,327
Equipment/Inventory Purchases	145	–	145	562	(417)
2.3.2 Security Operations					
Operating Expense	34,267	–	34,267	31,395	2,872
Equipment/Inventory Purchases	180	–	180	1,188	(1,008)
2.3.3 Traffic Safety					
Operating Expense	12,540	–	12,540	12,120	420
Equipment/Inventory Purchases	175	–	175	234	(59)
Total Sub-program	62,040	410	62,450	59,315	3,135
Total Program	$ 333,201	$ 976	$ 334,177	$ 324,894	$ 9,283

Schedule 4

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

For the Year Ended March 31, 2009
(in thousands)

Program 3 - Correctional Services

Program	2008 - 2009 Estimates	Authorized Supplementary	2008 - 2009 Authorized Budget	2008 - 2009 Actual Expense	Unexpended (Over Expended)
3.1 Program Support					
3.1.1 Program Support Services					
Operating Expense	$ 2,404	$ –	$ 2,404	$ 2,384	$ 20
Equipment/Inventory Purchases	–	–	–	9	(9)
Total Sub-program	2,404	–	2,404	2,393	11
3.2 Institutional Services					
3.2.1 Adult Remand and Correctional Centres					
Operating Expense	130,550	–	130,550	132,851	(2,301)
Equipment/Inventory Purchases	150	–	150	1,013	(863)
3.2.2 Young Offender Centres					
Operating Expense	24,326	–	24,326	24,848	(522)
Equipment/Inventory Purchases	–	–	–	23	(23)
Total Sub-program	155,026	–	155,026	158,735	(3,709)
3.3 Community Correctional Services					
3.3.1 Adult Services					
Operating Expense	30,943	–	30,943	29,692	1,251
Equipment/Inventory Purchases	–	–	–	39	(39)
3.3.2 Young Offender Services					
Operating Expense	9,952	–	9,952	9,883	69
Equipment/Inventory Purchases	–	–	–	40	(40)
Total Sub-program	40,895	–	40,895	39,654	1,241
Total Program	$ 198,325	$ –	$ 198,325	$ 200,782	$ (2,457)

Schedule 4

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

For the Year Ended March 31, 2009
(in thousands)

Program 4 - Gaming Research

Program	2008 - 2009 Estimates	Authorized Supplementary	2008 - 2009 Authorized Budget	2008 - 2009 Actual Expense	Unexpended (Over Expended)
4.1 Gaming Research					
4.1.1 Gaming Research					
Operating Expenses Funded by Lotteries	$ 1,600	$ –	$ 1,600	$ 1,561	$ 39
Total Sub-program	1,600	–	1,600	1,561	39
Total Program	$ 1,600	$ –	$ 1,600	$ 1,561	$ 39

Schedule 5

Salary and Benefits Disclosure

For the Year Ended March 31, 2009
(in thousands)

	2009				2008
	Base Salary[1]	Other Cash Benefits[2]	Other Non Cash Benefits[3]	Total	Total
Deputy Minister[4]	$ 253,668	$ 57,000	$ 60,982	$ 371,650	$ 340,992
Assistant Deputy Minister, Public Security[5]	172,353	42,154	39,509	254,016	230,954
Assistant Deputy Minister, Correctional Services	172,992	25,000	42,317	240,309	220,627
Assistant Deputy Minister, Corporate Services/ Senior Financial Officer	163,452	23,500	40,061	227,013	205,673
Executive Director, Human Resources	145,033	21,500	8,411	174,944	188,750
Executive Director, Information Technology	145,033	21,000	35,241	201,274	190,797
Executive Director, Special Projects[6]	98,296	–	22,098	120,394	198,873
Director, Aboriginal Justice Initiatives	118,296	9,464	28,942	156,702	151,586

Prepared in accordance with Treasury Board Directive 12/98 as amended.

Total salary and benefits relating to a position are disclosed.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances.

(5) This position was occupied by two individuals through the year. This schedule includes the Acting Assistant Deputy Minister and the former Assistant Deputy Minister's salary and benefit costs for the year ended March 31, 2009.

(6) The effective date of transfer for the Executive Director, Special Projects to the Acting Assistant Deputy Minister of Public Security was December 1, 2008. Other cash benefits for this position are included under the Assistant Deputy Minister, Public Security position.

Schedule 6

Related Party Transactions

For the Year Ended March 31, 2009
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the department.

The department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entites in the Ministry		Other Entites	
	2009	**2008**	**2009**	**2008 (restated)**
Revenues				
Internal Government Transfers	$ 686,068	$ 679,840	$ –	$ –
Ministry of Energy	–	–	419	–
	$ 686,068	$ 679,840	$ 419	$ –
Expenses – Directly incurred				
Service Alberta	$ –	$ –	$ 1,452	$ 1,739
Parking	–	–	3	4
	$ –	$ –	$ 1,455	$ 1,743
Receivable from AGLC	$ 288,738	$ 297,271	$ –	$ –

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 7.

	Entites in the Ministry		Other Entites	
	2009	**2008**	**2009**	**2008 (restated)**
Expenses – Incurred by Others				
Accommodation	$ –	$ –	$ 39,705	$ 35,731
Legal	–	–	468	358
Service Alberta and Treasury Board	–	–	5,245	5,332
Corporate Internal Audit Services	–	–	150	87
	$ –	$ –	$ 45,568	$ 41,508

Schedule 7

Allocated Costs

For the Year Ended March 31, 2009
(in thousands)

	2009								2008 (restated)
		Expenses – Incurred by Others				Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Service Alberta and Treasury Board	Corporate Internal Audit Services	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Ministry Support Services	$ 27,763	$ 1,038	$ 131	$ 5,245	$ 150	$ (30)	$ -	$ 34,297	$ 31,479
Public Security	322,813	1,570	164	–	–	903	–	325,450	290,042
Correctional Services	199,658	37,097	173	–	–	1,310	–	238,238	214,944
Gaming Research	1,561	–	–	–	–	–	–	1,561	1,555
	$ 551,795	$ 39,705	$ 468	$ 5,245	$ 150	$ 2,183	$ -	$ 599,546	$ 538,020

(1) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 6.

(3) Cost shown for Legal Services on Schedule 6, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:

- Vacation Pay – allocated to the program by employee.

Alberta Gaming and Liquor Commission Financial Statements

Auditor's Report

AUDITOR
GENERAL
Alberta

To the Members of the Alberta Gaming and Liquor Commission

I have audited the balance sheet of the Alberta Gaming and Liquor Commission as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
June 10, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Balance Sheet

At March 31, 2009
(thousands of dollars)

	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	$ 275,589	$ 242,185
Accounts receivable	18,004	42,579
Prepaid expenses and inventories (Note 4)	16,089	10,896
	309,682	295,660
Property, Plant and Equipment (Note 5)	225,592	238,497
	$ 535,274	$ 534,157
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 163,444	$ 152,833
Due to the Alberta Lottery Fund (Note 7)	80,399	81,023
	243,843	233,856
Due to General Revenues (Note 8)	288,739	297,271
Provision for Loss on Leased Properties (Note 13)	2,692	3,030
	$ 535,274	$ 534,157

The accompanying notes are part of these financial statements.

The financial statements of the Alberta Gaming and Liquor Commission were approved by the Board and the Chief Executive Officer of the Commission.

Statement of Operations

For the year ended March 31, 2009
(thousands of dollars)

	Budget 2009	Actual 2009			Actual 2008
	(Note 9)	Provincial Lotteries	Liquor and Other	Total	
REVENUE					
Gaming terminals	$	$ 15,495,445	$ –	$ 15,495,445	$ 15,129,177
Video lottery terminals		8,884,631	–	8,884,631	10,553,986
Liquor		–	2,020,873	2,020,873	1,966,348
Ticket lottery		632,172	–	632,172	604,193
Electronic bingo		35,718	–	35,718	42,019
		25,047,966	2,020,873	27,068,839	28,295,723
PRIZES AND COST OF PRODUCT					
Gaming terminals		14,263,804	–	14,263,804	13,927,249
Video lottery terminals		8,178,842	–	8,178,842	9,716,012
Liquor		–	1,336,314	1,336,314	1,286,096
Ticket lottery		327,382	–	327,382	320,722
Electronic bingo		24,786	–	24,786	29,105
		22,794,814	1,336,314	24,131,128	25,279,184
Gross Profit	2,990,480	2,253,152	684,559	2,937,711	3,016,539
Commissions and Federal Payments (Note 10)	(552,247)	(541,805)	–	(541,805)	(552,931)
Other Income (Note 11)	15,700	–	20,835	20,835	19,601
Operating Expenses (Note 12)	(257,026)	(199,818)	(20,926)	(220,744)	(189,713)
Net Operating Results	$ 2,196,907	$ 1,511,529	$ 684,468	$ 2,195,997	$ 2,293,496

The accompanying notes are part of these financial statements.

Statement of Cash Flows

For the year ended March 31, 2009
(thousands of dollars)

	2009	2008
CASH FROM OPERATIONS		
Net operating results for the year	$ 2,195,997	$ 2,293,496
Decrease in provision for loss on leased properties	(338)	(263)
Amortization	61,814	54,230
(Gain) loss on disposal of property, plant and equipment	(2,151)	348
Net change in non-cash working capital balances	29,993	14,550
	2,285,315	2,362,361
Remittances to the Alberta Lottery Fund	(1,512,153)	(1,612,028)
Remittances to General Revenues	(693,000)	(656,000)
	80,162	94,333
CASH USED FOR INVESTMENT		
Purchase of property, plant and equipment	(49,387)	(89,733)
Proceeds on disposal of property, plant and equipment	2,629	205
	(46,758)	(89,528)
INCREASE IN CASH AND CASH EQUIVALENTS	33,404	4,805
CASH AND CASH EQUIVALENTS, beginning of year	242,185	237,380
CASH AND CASH EQUIVALENTS, end of year	$ 275,589	$ 242,185

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

Note 1
Authority and Purpose

The Alberta Gaming and Liquor Commission (the Commission) operates under the authority of the *Gaming and Liquor Act*, Chapter G-1, Revised Statutes of Alberta 2000.

The Commission conducts and manages provincial lotteries, carries out functions respecting gaming under the *Criminal Code* (Canada), and controls, in accordance with legislation, the manufacture, importation, sale and purchase of liquor for the Government of Alberta. It also administers the Alberta Lottery Fund.

Amendments to the *Gaming and Liquor Act*, proclaimed June 24, 2002, allow the Commission to deduct operating expenses from the remittances to the Alberta Lottery Fund and General Revenues. The net proceeds, after the deduction of related operating expenses, arising from the conduct of authorized gaming terminal, video lottery, ticket lottery and electronic bingo in Alberta are remittable to the Alberta Lottery Fund. The net proceeds, after the deduction of related operating expenses, of liquor operations and other income are remittable to General Revenues.

Under the Excise Tax Act and Games of Chance (GST/HST) Regulations, the Commission is required to pay GST and Federal Tax on gaming operations. However, the Commission as a Crown agent of the Government of Alberta, has a tax-exempt status for its liquor and regulatory operations.

Note 2
Significant Accounting Policies and Reporting Practicies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles applied on a consistent basis. The preparation of financial statements for a period necessarily involves the use of estimates. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Joint Venture

Alberta's share of the operations of the Western Canada Lottery Corporation (WCLC) is accounted for as a joint venture using the proportionate consolidation method. WCLC is a non-profit organization authorized to manage, conduct and operate ticket lottery activities for its members, the governments of Alberta, Saskatchewan and Manitoba. The Yukon Territory, the Northwest Territories and Nunavut participate as associate members. Under the proportionate consolidation method, each participant records their share of WCLC revenues, expenses, assets and liabilities.

Inventories

Gaming parts and supplies inventories are valued at weighted average cost which is not in excess of net replacement value.

Liquor inventory held on behalf of liquor suppliers or agents, and related duties and taxes, are not recorded in the financial statements.

Notes to the Financial Statements

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated amortization. Amortization is calculated on the straight-line method which will reduce the original cost to estimated residual value over the expected useful lives of the assets, as follows:

- Buildings and leasehold improvements – 40 years or lease term
- Gaming systems and equipment – 10 years or 3 years
- Video lottery and gaming terminals – 7 years
- Furniture and equipment – 10 years or 5 years
- Retailer fixtures and signage – 5 years
- Computer software – 3 years
- Vehicles – 5 years or 3 years

Property, plant and equipment are not amortized until the assets are put into use.

Pensions

The Commission participates in multi-employer pension plans with related government entities. Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for service related to prior years.

Defined contribution plan accounting is used because insufficient information is available to apply defined benefit plan accounting.

Revenue and Expense Recognition

Revenue from gaming terminals, video lottery terminals and electronic bingo is recognized at the time that play has been completed and all machine credits have been played or converted to cash. Prizes, commissions and federal payments related to gaming terminals, video lottery terminals and electronic bingo are recognized on the same basis as the related revenues.

On-line ticket lottery revenues are recognized at the date of the draw with instant ticket revenues being recognized at the date activated for sale by the retailer. Prizes, commissions and federal payments relating to ticket revenues are recognized on the same basis as the related revenues.

Revenue from the sale of liquor is recognized when goods are shipped and title has passed to the customer. Revenue received in advance of shipment is deferred and recognized when goods are shipped and title has passed to the customer. Cost of product sold related to liquor is recognized on the same basis as the related revenues.

Allocation of Operating Expenses

Operating expenses are allocated against Provincial Lotteries Revenue or Liquor and Other Revenue, based on the nature of the expense.

Future Accounting Changes

The Canadian Accounting Standards Board (AcSB) has confirmed its plan to adopt all International Financial Reporting Standards, as published by the International Accounting Standards Board, on or by January 1, 2011. The Commission will adopt all of the International Financial Reporting Standards in accordance with the AcSB's plan. The impact of the adoption of these standards is being assessed at this time.

Notes to the Financial Statements

Note 3
Cash and Cash Equivalents

Cash and cash equivalents consist of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at March 31, 2009, securities held by the Fund have a time-weighted rate of return of 3.0 per cent per annum (March 31, 2008: 4.5 per cent per annum). Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

Note 4
Prepaid Expenses and Inventories

(thousands of dollars)

	2009	2008
Prepaid expenses	$ 7,997	$ 3,165
Gaming parts	7,366	7,209
Supplies	726	522
	$ 16,089	$ 10,896

Note 5
Property, Plant and Equipment

(thousands of dollars)

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 4,113	$ –	$ 4,113	$ 4,113
Buildings and leasehold improvements	55,804	43,238	12,566	12,531
Gaming systems and equipment	71,211	49,378	21,833	27,437
Gaming terminals	274,686	116,945	157,741	154,962
Video lottery terminals	85,247	66,178	19,069	29,071
Furniture and equipment	37,596	36,357	1,239	1,872
Retailer fixtures and signage	9,306	8,113	1,193	1,219
Computer software	30,239	23,064	7,175	6,450
Vehicles	3,473	2,810	663	842
	$ 571,675	$ 346,083	$ 225,592	$ 238,497

Notes to the Financial Statements

Note 6
Defined Benefit Plans

(thousands of dollars)

The Commission participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Commission also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $4,077 for the year ended March 31, 2009 (2008 – $3,343). The Commission's portion of the Western Canada Lottery Corporation pension expense is $534 for the year ended March 31, 2009 (2008 – $725).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 – deficiency of $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 – deficiency of $92,509, as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 – surplus of $1,510). The Commission's portion of the Western Canada Lottery Corporation surplus as at March 31, 2009 is $1,348 (2008 – deficiency of $1,266).

Note 7
Due to the Alberta Lottery Fund

(thousands of dollars)

This amount represents the portion of the revenues from provincial lottery operations which has not been remitted to the Alberta Lottery Fund.

	2009	2008
Due to the Alberta Lottery Fund, beginning of year	$ 81,023	$ 77,795
Net operating results, Provincial Lotteries	1,511,529	1,615,256
Remittances to the Alberta Lottery Fund	(1,512,153)	(1,612,028)
Due to the Alberta Lottery Fund, end of year	$ 80,399	$ 81,023

Amounts due to the Alberta Lottery Fund are unsecured, non-interest bearing and have no specific terms of repayment.

Note 8
Due to General Revenues

(thousands of dollars)

Due to General Revenues reflects the outstanding balance due to General Revenues from liquor operations and other income, as follows:

	2009	2008
Due to General Revenues, beginning of year	$ 297,271	$ 275,031
Net operating results, Liquor and Other	684,468	678,240
Remittances to General Revenues	(693,000)	(656,000)
Due to General Revenues, end of year	$ 288,739	$ 297,271

Amounts due to General Revenues are unsecured, non-interest bearing and have no specific terms of repayment.

Notes to the Financial Statements

Note 9
Budget

The Commission includes its annual budget, on a summarized basis, in its business plan. The summarized budget receives approval by the Minister responsible for the Commission on recommendation from the Commission Board and becomes part of the fiscal plan of the Government.

Note 10
Commissions and Federal Payments

(thousands of dollars)

	2009	2008
Commissions		
Gaming terminals:		
- Operators	$ 181,437	$ 177,550
- Charities	173,752	169,379
Video lottery terminals	105,780	125,595
Ticket lottery	43,976	41,689
Electronic bingo	3,280	3,874
	508,225	518,087
Federal Tax Expenses (a)		
Gaming terminals	14,594	14,394
Video lottery terminals	8,070	9,608
Ticket lottery	3,525	3,735
Electronic bingo	221	255
	26,410	27,992
Payment to Federal Government (b)	7,170	6,852
	$ 541,805	$ 552,931

(a) As prescribed by the Games of Chance (GST/HST) Regulations, taxes are paid to the Government of Canada in lieu of the Goods and Services Tax (GST) on gaming terminal, video lottery, ticket lottery and electronic bingo sales based on a prescribed formula. This tax is in addition to the GST paid on the purchase of goods and services for which credit is denied under the formula.

(b) This payment represents the Province of Alberta's share of payments to the Government of Canada as a result of an agreement between the provincial governments and the federal government on the withdrawal of the federal government from the lottery field. The payment is made by the Western Canada Lottery Corporation on behalf of Alberta, and is based on current population statistics and its share of ticket lottery sales.

Notes to the Financial Statements

Note 11
Other Income

(thousands of dollars)

	2009	2008
Interest revenue	$ 6,837	$ 9,783
Licences	6,674	5,972
Miscellaneous	2,227	1,442
Gain (loss) on disposal of property, plant and equipment	2,151	(348)
Liquor levies	1,301	1,207
Premises rental revenue	785	782
Retailer service fees	620	619
Fines and violations	240	144
	$ 20,835	$ 19,601

Note 12
Operating Expenses

(thousands of dollars)

	2009	2008
Amortization	$ 61,814	$ 54,230
Salaries and benefits	61,460	55,159
Leased gaming terminals	26,079	22,962
Miscellaneous	12,869	1,172
Data communications	10,903	11,991
Media and media production	9,000	8,113
Ticket printing	7,754	7,649
Equipment and vehicles	7,449	7,279
Fees and services	5,797	5,966
Travel and training	3,794	3,341
Data processing	3,685	2,763
Property	3,425	2,345
Freight and product delivery	1,902	1,649
Stationery and supplies	1,833	1,785
Retailer relations	1,459	1,754
Insurance and bank charges	1,247	1,273
Presentations and publications	169	189
Product expense	109	99
Overhead and other	(4)	(6)
	$ 220,744	$ 189,713

Notes to the Financial Statements

Note 13
Commitments

(thousands of dollars)

The Commission has a number of lease obligations, including regional offices, gaming warehouses and former retail liquor stores that operate under lease arrangements with terms ranging from 1 to 23 years. Most of these former properties have been subleased to third parties. The Commission remains liable for the leases should the sublessor default on their obligations to the Commission. The Commission's future minimum lease payments, including its proportionate share of the Western Canada Lottery Corporation commitments, is summarized as follows:

Fiscal 2009-10	$	2,352
2010-11		1,726
2011-12		1,624
2012-13		1,196
2013-14		179
Balance to expiry		1,390
	$	8,467

Estimated future revenues to be derived from subleases amount to $3.82 million at March 31, 2009. Provision for loss on leased properties of $2.69 million (2008 – $3.03 million) has been made where the payments to be received on the sub-leases are less than the lease payments to be made.

Note 14
Contingencies

At March 31, 2009, the Commission is a defendant in 14 legal claims (2008 – 9 legal claims) having specified amounts totalling $163 million (2008 – $139 million). Included in the total claims are 12 claims in which the Commission has been jointly named with other entities.

The Commission entered into a lease amending agreement with a tenant on March 23, 2007. Under the terms of the agreement, the Commission has agreed to pay for certain capital investments up to $6.4 million and would also assume certain third party premise leases for the remainder of the lease term, if a significant change in the terms of the tenant's appointment occurs before February 28, 2012. As of March 31, 2009, the Commission's potential liability is $3.24 million.

The resulting loss, if any, from these claims cannot be determined.

Notes to the Financial Statements

Note 15

Funds Under Administration

(thousands of dollars)

The Commission manages the collection, investment and distribution of the charities' share of proceeds/losses from table games at licensed charitable casino events.

The share of proceeds/losses from these table games allocated to charities is established in policy and by agreement between the participating charity and the relevant casino operator. These allocations are collected by the Commission and pooled by casino or region over a three month period. The pooled funds earn interest and the Commission deducts administrative fees from the pools. The net proceeds in each pool at the end of the pooling period are distributed equally to each charity holding a licensed charitable casino event in the casino/region during the pooling period.

	2009	2008
Charitable Proceeds	$ 16,918	$ 14,832
Returned Funds	41	90
Held Charitable Proceeds	146	119
	$ 17,105	$ 15,041

Notes to the Financial Statements

Note 16
Salaries and Benefits

(thousands of dollars)

	2009				2008
	Base Salary (a)	Other Cash Benefits (b)	Other Non-cash Benefits (c)	Total	Total
Board					
Chair (d)	$ 121	$ –	$ –	$ 121	$ 585
Board Members	275	–	–	275	161
Executive Team					
Senior Official					
Chief Executive Officer (e) (f)	232	64	55	351	641
Management					
Executive Director, Gaming Products and Services	177	65	43	284	268
Executive Director, Corporate Services	177	34	43	254	235
Executive Director, Information Systems	166	32	39	237	212
Executive Director, Liquor Supply and Distribution	166	17	33	216	202
Executive Director, Regulatory (g)	160	34	41	235	172
Executive Director, Human Resources	141	30	33	204	173
Executive Director, Social Responsibility	141	15	34	190	169
Director, Communications (h)	97	10	27	134	–

(a) Base salary includes regular base pay.

(b) Other cash benefits includes bonuses, vacation payouts, payments in place of pension participation, and lump sum payments.

(c) Other non-cash benefits include the Commission's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability, professional memberships, and tuition fees.

(d) Beginning December 2007, a part time Chairperson, who is remunerated based on the Committee Remuneration Order, heads the Board of the AGLC. Until his retirement on November 30, 2007, the Board was headed by a Chairman who received a salary, cash and non-cash benefits and an automobile as compensation.

(e) Automobile provided, no dollar amount included in other non-cash benefits.

(f) The position was occupied by 2 individuals during 2008.

(g) The position was occupied by 3 individuals during 2008.

(h) The position was created May 1, 2008.

Notes to the Financial Statements

Note 17

Joint Venture – Ticket Lottery Operations

(thousands of dollars)

Alberta's share of the Western Canada Lottery Corporation joint venture is accounted for using the proportionate consolidation method. The Commission has included in its accounts the following aggregate amounts:

	2009	2008
Balance Sheet		
Current assets	$ 28,502	$ 29,764
Property, plant and equipment	21,348	22,558
	$ 49,850	$ 52,322
Current liabilities	$ 25,493	$ 27,975
Equity in joint venture	24,357	24,347
	$ 49,850	$ 52,322

	2009	2008
Statement of Operations		
Gross profit	$ 250,206	$ 231,298
Operating expenses	(32,546)	(31,482)
Net operating results	$ 217,660	$ 199,816
Statement of Cash Flows		
Cash from operations	$ 215,406	$ 209,123
Cash used for investment	$ 2,924	$ 16,850

Notes to the Financial Statements

Note 18
Related Party Transactions

(thousands of dollars)

The Commission has the following transactions with Government of Alberta departments for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. The amounts are not included in the financial statements.

	2009	2008
Revenues		
Accommodation	$ 332	$ 321
Forensic Audit	167	46
Information Technology	33	40
Financial Services	13	12
	$ 545	$ 419

	2009	2008
Expenses - Incurred by Others		
Legal Services	$ 362	$ 301
Internal Audit	–	55
Other Travel Costs	–	4
	$ 362	$ 360

The Commission also had the following transactions with Government of Alberta departments recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	2009	2008
Finance and Enterprise - Risk Management and Insurance	$ 325	$ 265
Service Alberta	161	57
Infrastructure and Transportation	6	5
	$ 492	$ 327

Note 19
Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

The dream of having a skateboard park at the Millwoods Cultural and Recreation Facility came true for many youths thanks to a $250,000 matching grant from the Alberta Lottery Fund.

Alberta Lottery Fund Financial Statements

Auditor's Report

AUDITOR GENERAL *Alberta*

To the Members of the Alberta Gaming and Liquor Commission

I have audited the balance sheet of the Alberta Lottery Fund as at March 31, 2009 and the statement of revenue, expenditure and fund equity for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Alberta Lottery Fund as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
June 10, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Balance Sheet

At March 31, 2009
(thousands of dollars)

	2009	2008
ASSETS		
Cash and cash equivalents (Note 3)	$ 32,724	$ 170,234
Due from Alberta Gaming and Liquor Commission (Note 4)	80,399	81,023
	$ 113,123	$ 251,257
LIABILITIES AND FUND EQUITY		
Accounts payable (Note 5)	$ 60,348	$ 198,482
Fund equity	52,775	52,775
	$ 113,123	$ 251,257

The accompanying notes are part of these financial statements.

The financial statements for the Alberta Lottery Fund were approved by the Board and the Chief Executive Officer of the Alberta Gaming and Liquor Commission.

Statement of Revenue, Expenditure and Fund Equity

For the year ended March 31, 2009
(thousands of dollars)

	2009		2008
	Budget (Note 21)	Actual	Actual
REVENUE			
Proceeds from lottery operations (Note 6)	$ 1,516,418	$ 1,511,529	$ 1,615,256
Interest	6,000	10,627	17,172
	1,522,418	1,522,156	1,632,428
EXPENDITURE			
Transfers to Departments			
Aboriginal Relations (Note 7)	78,200	102,075	56,121
Advanced Education and Technology (Note 8)	101,591	101,591	104,043
Agriculture and Rural Development (Note 9)	22,220	22,220	22,220
Children and Youth Services (Note 10)	63,500	63,500	55,500
Culture and Community Spirit (Note 11)	475,467	456,818	378,970
Education (Note 12)	129,100	129,100	129,100
Employment and Immigration (Note 13)	11,987	11,987	12,769
Environment (Note 14)	500	500	500
Health and Wellness (Note 15)	260,495	260,495	279,497
Municipal Affairs (Note 16)	26,000	26,000	26,000
Solicitor General and Public Security (Note 17)	1,600	1,600	1,600
Tourism, Parks and Recreation (Note 18)	95,470	95,470	113,970
Transportation (Note 19)	195,000	195,000	175,000
Finance and Enterprise (Note 20)	61,288	55,800	277,138
	1,522,418	1,522,156	1,632,428
Excess of revenue over expenditure for the year	–	–	–
Fund equity, beginning of year	52,775	52,775	52,775
Transfers to General Revenues	–	–	–
Fund equity, end of year	$ 52,775	$ 52,775	$ 52,775

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

Note 1
Authority and Purpose

The Lottery Fund is administered by the Alberta Gaming and Liquor Commission under the *Gaming and Liquor Act*, Chapter G-1, Revised Statutes of Alberta 2000. The Lottery Fund receives the proceeds from lottery operations (see Note 6) and makes payments therefrom in the public interest in order to support thousands of volunteer, public and community-based initiatives.

The *Appropriation Act*, 2008 authorized payments from the Lottery Fund as presented in the 2008-2009 Estimates, and provided for flexibility in the amount allocated from the Lottery Fund to the Contingency Allowance / Alberta Sustainability Fund so that the net revenue of the Lottery Fund would be zero at the year ended March 31, 2009.

The transfer of funds to certain programs is based on gaming proceeds generated at related gaming facilities, in accordance with government policy direction. For these programs, the amount transferred may differ from the budgeted amount.

The accountability and utilization of Lottery Fund amounts transferred to entities within the Government of Alberta may be determined and confirmed by referencing the respective entity's financial statements.

Note 2
Significant Accounting Policies

Cash Flows
A statement of cash flows is not provided as disclosure in these financial statements is considered to be adequate.

Valuation of Financial Assets and Liabilities
Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable and accounts payable are estimated to approximate their carrying values because of the short term nature of these instruments.

Note 3
Cash and Cash Equivalents

Cash and cash equivalents consist of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality, short-term and mid-term fixed income securities with a maximum term to maturity of three years. As at March 31, 2009, securities held by the Fund have a time-weighted rate of return of 3.0 per cent per annum (March 31, 2008: 4.5 per cent per annum). Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

Notes to the Financial Statements

Note 4

Due from The Alberta Gaming and Liquor Commission

(thousands of dollars)

This amount represents the portion of the revenues from lottery operations which has not been remitted by the Alberta Gaming and Liquor Commission (AGLC) to the Alberta Lottery Fund at year end.

	2009	2008
Due from AGLC, beginning of year	$ 81,023	$ 77,795
Remittable from AGLC	1,511,529	1,615,256
Remittances from AGLC	(1,512,153)	(1,612,028)
Due from AGLC, end of year	$ 80,399	$ 81,023

Note 5

Accounts Payable

Accounts payable consists primarily of outstanding payments to the Department of Finance and Enterprise for the Contingency Allowance / Alberta Sustainability Fund, with the balance representing outstanding net payments to the Departments of Culture and Community Spirit and Aboriginal Relations.

Note 6

Proceeds from Lottery Operations

(thousands of dollars)

Proceeds from provincial lotteries received by the Alberta Gaming and Liquor Commission are recorded as revenue of the Fund after the deduction of related operating expenses.

	2009	2008
Income from gaming terminals	$ 861,858	$ 840,605
Income from video lottery terminals	591,939	702,771
Income from ticket lottery	250,119	231,195
Income from electronic bingo	7,431	8,785
Less operating expenses	(199,818)	(168,100)
Proceeds from lottery operations	$ 1,511,529	$ 1,615,256

Notes to the Financial Statements

Note 7

Aboriginal Relations

(thousands of dollars)

Transfers to support aboriginal initiatives:

	2009	2008
First Nations Development Fund	$ 101,875	$ 55,921
First Nations Relations	200	200
	$ 102,075	$ 56,121

Note 8

Advanced Education and Technology

(thousands of dollars)

Transfers to support post-secondary education, scientific initiatives and communication initiatives:

	2009	2008
Research Capacity	$ 28,900	$ 28,400
Capital Expansion and Upgrading	16,000	16,000
Community Education	15,600	15,600
Energy Research	15,200	15,200
Life Sciences Research	11,485	11,985
Information and Communications Technology Research	11,306	11,458
Achievement Scholarships	3,100	3,100
Other Program Support - Learning Television	–	2,300
	$ 101,591	$ 104,043

Note 9

Agriculture and Rural Development

(thousands of dollars)

Transfers to enhance improvement in agriculture, horticulture, and the quality of life in the agricultural community:

	2009	2008
Agricultural Service Boards	$ 10,600	$ 10,600
Agricultural Societies	8,670	8,670
Agricultural Initiatives	2,950	2,950
	$ 22,220	$ 22,220

Notes to the Financial Statements

Note 10
Children and Youth Services

(thousands of dollars)

Transfers to support families and communities in Alberta:

	2009	2008
Family and Community Support Services	$ 45,000	$ 45,000
Fetal Alcohol Spectrum Disorder Initiatives	12,000	4,000
Prevention of Family Violence and Bullying	6,500	6,500
	$ 63,500	$ 55,500

Note 11
Culture and Community Spirit

(thousands of dollars)

Transfers to support culture, multiculturalism, municipal and community initiatives, and the volunteer sector:

	2009	2008
Major Community Facilities Program	$ 140,000	$ 140,000
Support for National Portrait Gallery	40,000	–
Support for Telus World of Science	40,000	–
Community Facility Enhancement Program	38,500	38,500
Horse Racing and Breeding Renewal Program	36,917	35,709
Alberta Foundation for the Arts	34,984	25,884
Community Initiatives Program	29,171	30,000
Major Fairs and Exhibitions	23,360	53,360
Community Spirit Donation Program	20,000	–
Film Development and Film Commission	19,690	18,285
Alberta Historical Resources Foundation	9,507	8,587
Wild Rose Foundation	8,516	8,516
Other Initiatives	7,964	11,088
Bingo Associations	5,434	6,426
Human Rights, Citizenship and Multiculturalism Education Fund	2,025	1,865
Cultural Initiatives	750	750
	$ 456,818	$ 378,970

Notes to the Financial Statements

Note 12
Education

(thousands of dollars)

Transfers to support primary education:

	2009	2008
Public and Separate School Support – Operational Funding	$ 60,800	$ 60,800
School Facilities Infrastructure	60,300	60,300
Basic Education Program Initiative – High Speed Network	8,000	8,000
	$ 129,100	$ 129,100

Note 13
Employment and Immigration

(thousands of dollars)

Transfers to assist in job creation and to support the disabled, summer students, and immigrants in their search for employment:

	2009	2008
Summer Temporary Employment Program	$ 7,413	$ 8,195
Settlement Services and Enhanced Language Training	4,574	4,574
	$ 11,987	$ 12,769

Note 14
Environment

(thousands of dollars)

Transfers to support environmental awareness:

	2009	2008
Educational Awareness	$ 500	$ 500

Notes to the Financial Statements

Note 15
Health and Wellness

(thousands of dollars)

Transfers made in support of health and wellness initiatives, including to the Alberta Alcohol and Drug Abuse Commission:

	2009	2008
Alberta Alcohol and Drug Abuse Commission	$ 90,495	$ 84,497
Human Tissue and Blood Services	90,000	115,000
Health Facilities Infrastructure	50,000	50,000
Community-based Health Services	30,000	30,000
	$ 260,495	$ 279,497

Note 16
Municipal Affairs

(thousands of dollars)

Transfers to enhance support for municipal initiatives:

	2009	2008
Unconditional Municipal Grants	$ 14,000	$ 14,000
Municipal Sponsorship	12,000	12,000
	$ 26,000	$ 26,000

Note 17
Solicitor General and Public Security

(thousands of dollars)

Transfers made to support gaming research:

	2009	2008
Gaming Research	$ 1,600	$ 1,600

Notes to the Financial Statements

Note 18
Tourism, Parks, and Recreation

(thousands of dollars)

Transfers to support sports, recreation, and municipal initiatives:

	2009	2008
Support for Capital Region River Valley Park	$ 50,000	$ –
Alberta Sport, Recreation, Parks and Wildlife Foundation	24,970	23,470
Recreation and Sports Facilities Grants	20,000	90,000
Hosting Major Athletic Events	500	500
	$ 95,470	$ 113,970

Note 19
Transportation

(thousands of dollars)

Transfers to enhance transportation and water infrastructure:

	2009	2008
Municipal Water Wastewater Program / Water for Life	$ 70,000	$ 25,000
Rural Transportation Partnerships	40,000	40,000
Alberta Cities Transportation Partnerships	30,000	30,000
Provincial Highway Preservation	30,000	–
Streets Improvement Program	25,000	25,000
Provincial Highway Rehabilitation	–	55,000
	$ 195,000	$ 175,000

Note 20
Finance and Enterprise

(thousands of dollars)

Transfers to the Contingency Allowance/Alberta Sustainability Fund:

	2009	2008
Contingency Allowance / Alberta Sustainability Fund	$ 55,800	$ 277,138

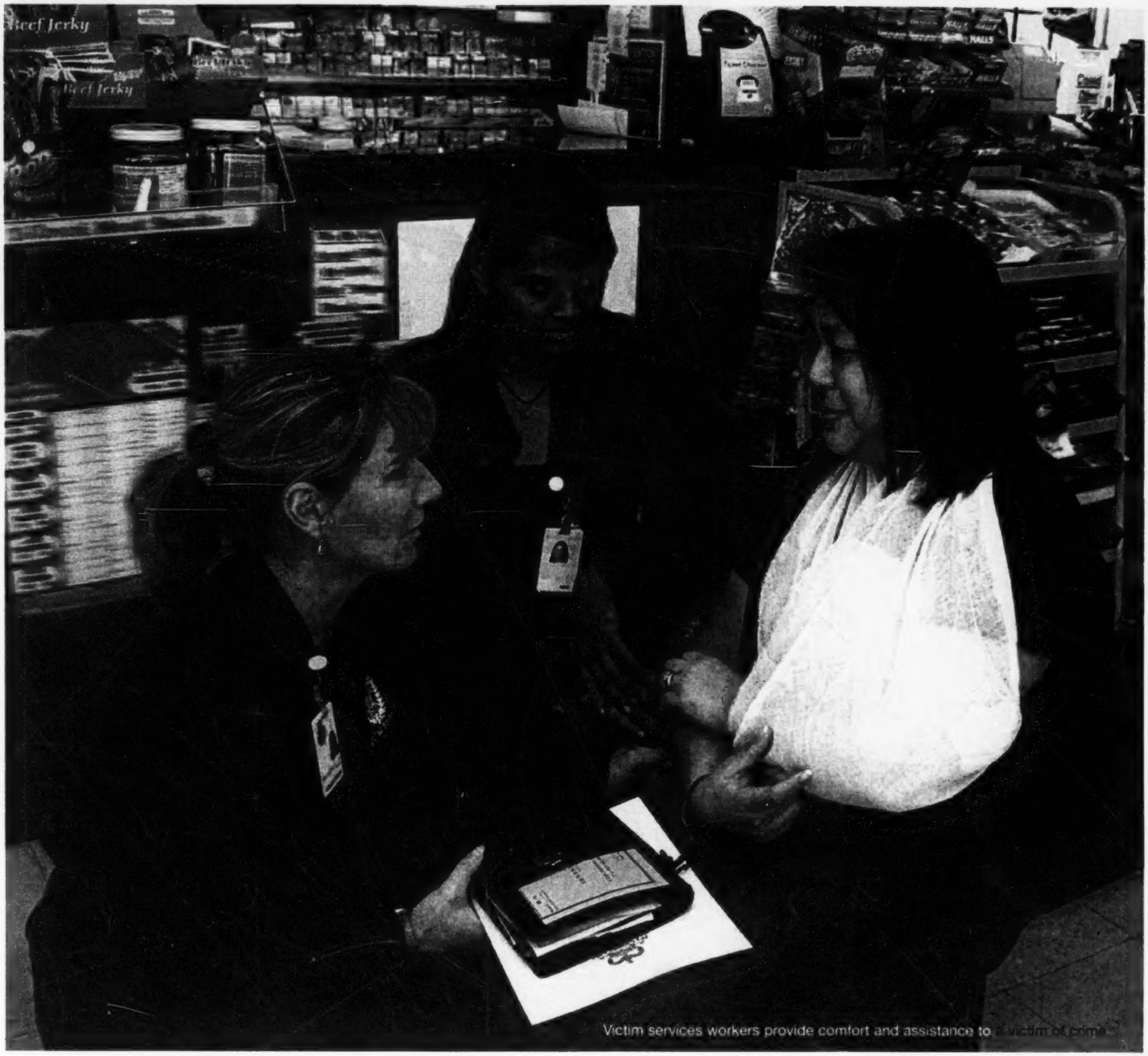
Notes to the Financial Statements

Note 21
Budget

The 2009 budgeted expenditures were authorized in total by the *Appropriation Act*, 2008 on June 3, 2008. On December 4, 2008 the *Appropriation (Supplementary Supply) Act*, 2008 (No. 2) allowed for an additional $20 million to be paid from the Lottery Fund for the fiscal year ended March 31, 2009.

Note 22
Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.



Victim services workers provide comfort and assistance to a victim of crime.

Victims of Crime Fund Financial Statements

Auditor's Report

AUDITOR GENERAL *Alberta*

To the Solicitor General and Minister of Public Security

I have audited the statement of financial position of the Victims of Crime Fund as at March 31, 2009, and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2009, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

Auditor General

Edmonton, Alberta
June 4, 2009

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Statement of Operations

For the Year Ended March 31, 2009
(in thousands)

	2009		2008
	Budget (Schedule 1)	Actual	Actual
Revenues			
Transfers from Government of Canada	$ 100	$ 100	$ –
Investment Income			
Bank Interest	1,000	1,091	1,282
Other Revenue			
Federal Surcharge	1,100	1,415	1,075
Provincial Fine Surcharge	23,400	24,566	22,570
Expenditure Refunds	–	36	114
	25,600	27,207	25,041
Expenses - Directly Incurred (Note 2b and 11)			
Program Costs			
Financial Benefits	13,683	12,747	10,643
Victims Programs	10,412	10,569	7,064
Criminal Injuries Review Board	381	431	402
Administration	881	1,014	612
	25,357	24,761	18,721
Valuation Adjustments			
Provision for Doubtful Accounts	100	342	(39)
Provision for Vacation Pay	–	72	(40)
	100	414	(79)
	25,457	25,175	18,642
Net Operating Results	$ 143	$ 2,032	$ 6,399

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2009
(in thousands)

	2009	2008
Assets		
Cash and Cash Equivalents (Note 3)	$ 38,161	$ 32,787
Accounts Receivable (Note 4)	19,011	17,652
Tangible Capital Assets (Note 5)	163	300
	$ 57,335	$ 50,739
Liabilities		
Accounts Payable and Accrued Liabilities	$ 10,601	$ 6,037
Net Assets (Note 2b)		
Net Assets at Beginning of Year	44,702	38,303
Net Operating Results	2,032	6,399
Net Assets at End of Year	46,734	44,702
	$ 57,335	$ 50,739

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

For the Year Ended March 31, 2009
(in thousands)

	2009	2008
Operating Transactions		
Net Operating Results	$ 2,032	$ 6,399
Amortization	137	137
Valuation Adjustments	414	(79)
Decrease in Accounts Receivable	(1,702)	(1,063)
Increase in Accounts Payable and Accrued Liabilities	4,493	2,672
Cash Provided by Operating Transactions	5,374	8,066
Increase in Cash and Cash Equivalents	5,374	8,066
Cash and Cash Equivalents, Beginning of Year	32,787	24,721
Cash and Cash Equivalents, End of Year	$ 38,161	$ 32,787

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

Note 1
Authority and Purpose

The Victims of Crime Fund (the "Fund"), a regulated fund held and administered by the Minister of Finance, operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000. The Solicitor General and Minister of Public Security is responsible for the Fund under the authority of the *Government Organization Act*, Statues of Alberta.

The purpose of the Fund is to provide grants to victims' programs and to pay benefits to victims, or their dependants, who suffer injury or death as the result of a criminal offence specified in the regulations of the *Victims of Crime Act*, using provincial and federal fine surcharge revenues.

Note 2
Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The reporting entity is the Victims of Crime Fund, which is part of the Ministry of the Solicitor General and Public Security and for which the Solicitor General and Minister of Public Security is accountable.

Notes to the Financial Statements

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Fund has primary responsibility and accountability for. Expenses represent the costs of the victims program, the costs of the financial benefits program and administration costs. Grants are recorded as expenses when approved by the Ministry of the Solicitor General and Public Security and all terms and conditions of eligibility for payment have been met. Financial benefits are recorded as an expense when the obligation to pay is likely and the amount payable on applications submitted can be reasonably estimated.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- pension costs, which comprise the cost of employer contributions for current service of employees during the year; and
- valuation adjustments, which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Grants are recognized as expenses when authorized, the eligibility criteria, if any, is met, and when a reasonable estimate of the amounts can be made.

Incurred by Others

Services incurred by other entities in support of the Fund's operations are disclosed in Schedule 3.

Assets

Financial assets of the Fund are limited to cash and accounts receivable.

Tangible capital assets of the Fund are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new system development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Fund and its liabilities.

Notes to the Financial Statements

Note 2

Summary of Significant Accounting Policies and Reporting Practices

(b) Basis of Financial Reporting (continued)

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Accounts receivable of $18,979 (2008 – $17,652) are subject to measurement uncertainty. Victims of Crime Fund accounts receivable excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of $1,057 (2008 – $1,049) have been deducted from total outstanding surcharges of $19,174 (2008 – $17,704) to arrive at reported revenue and related accounts receivable. The estimate of $1,057 is based on the actual percentage satisfied in this matter from April 1, 2008 to March 31, 2009. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.

Financial benefits under the Victims of Crime Fund recorded as a liability of $8,587 (2008 – $4,520) in these financial statements, is subject to measurement uncertainty. See Note 9.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Notes to the Financial Statements

Note 3
Cash and Cash Equivalents

(in thousands)

Cash and cash equivalents consist of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. The Fund earns interest on its daily cash balance at the average rate of earnings of the CCITF, which may vary depending on prevailing market interest rates. As at March 31, 2009, securities held by the CCITF have a time-weighted rate of return of 3.0 per cent per annum (March 31, 2008: 4.5 per cent per annum).

Note 4
Accounts Receivable

(in thousands)

	2009			2008
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Surcharge				
Provincial	$ 18,075	$ 913	$ 17,162	$ 16,090
Federal	2,073	255	1,818	1,562
Other	31	–	31	–
	$ 20,179	$ 1,168	$ 19,011	$ 17,652

Accounts receivable are unsecured and non-interest bearing.

Notes to the Financial Statements

Note 5

Tangible Capital Assets

(in thousands)

	Equipment	Computer Hardware and Software	Other	2009 Total	2008 Total
Estimated Useful Life	10 years	5 years	3 years		
Historical Cost					
Beginning of year	$ –	$ 686	$ –	$ 686	$ 686
Additions	–	–	–	–	–
Disposals, including write-downs	–	–	–	–	–
	$ –	$ 686	$ –	$ 686	$ 686
Accumulated Amortization					
Beginning of year	$ –	$ 386	$ –	$ 386	$ 249
Amortization expense	–	137	–	137	137
Effect of disposals	–	–	–	–	–
	$ –	$ 523	$ –	$ 523	$ 386
Net Book Value at March 31, 2009	$ –	$ 163	$ –	$ 163	
Net Book Value at March 31, 2008	$ –	$ 300	$ –		$ 300

Notes to the Financial Statements

Note 6
Contractual Obligations

(in thousands)

Proclamation of the *Victims of Crime Act* in 1997 repealed the *Criminal Injuries Compensation Act*, dissolving the Crimes Compensation Board. The director under the *Victims of Crime Act* assumed the administrative responsibility and the Fund assumed financial responsibility for future obligations associated with the former Board's compensation claims. A number of these claims involve a monthly payment for continuing loss of support or income and/or cost of care. These payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount. Recipients are also expected to advise the Fund of any significant change in circumstance or status between review dates.

As at March 31, 2009 the Fund is committed under contracts which expire on various dates to August 10, 2011, totaling $333.

In March 2009, 34 eligible recipients received a monthly payment (35 eligible recipients in March 2008). The estimated amount of all payments to eligible recipients for future years is as follows:

Year	(in thousands)
2010	$ 585
2011	531
2012	531
2013	531
2014	528
Thereafter	11,623
Total	$ 14,329

In June 2008, a new supplemental benefit of $1,000 per month was made available to Victims of Crime whose injuries result in fully dependent quadriplegic or severe brain injury. This benefit is in addition to any lump sum award from the Victims Financial Benefits Program. The monthly benefit is also available to fully dependent quadriplegic or severe brain injured victims who have received financial benefits since the *Victims of Crime Act* came in to effect in 1997. Payments are not retroactive.

In March 2009, there are 10 eligible recipients who will receive a monthly payment. The estimated amount of all payments to eligible recipients for future years is as follows:

Year	(in thousands)
2010	$ 120
2011	120
2012	120
2013	120
2014	120
Thereafter	4,740
Total	$ 5,340

Notes to the Financial Statements

Note 7
Contingencies

(in thousands)

As at March 31 2009, the Fund is a defendant in two legal claims (2008 – two legal claims) with specified amounts totalling $22,500 (2008 – $22,500). One claim amounting to $11,400 is covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Note 8
Victims Programs

(in thousands)

The Fund has entered into longer term funding arrangements with organizations for delivery of victim services to communities. These arrangements, subject to satisfaction of reporting and service delivery requirements, are $5,232 in 2009-10, $3,236 in 2010-11 and $387 in 2011-12.

Note 9
Financial Benefits

(in thousands)

As at March 31, 2009, there were 2,124 (2008 – 1,351) active applications for financial benefits with the Victims of Crime Financial Benefits Program.

An estimated liability of $8,587 (2008 – $4,520), subject to measurement uncertainty, was recorded based on historical decision patterns and average award values. Additional information may be required to determine eligibility and amount for individual cases under regulations of the *Victims of Crime Act*.

Note 10
Benefit Plans

(in thousands)

The Fund participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Fund also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $193 for the year ended March 31, 2009 (2008 – $158).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 – $84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 – $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers nad a deficiency of $7,111 (2007 – surplus of $1,510).

The Fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 – $6,319) and the Management, Opted Out and Excluded Plan, an actuarial deficiency of $1,051 (2008 – actuarial surplus of $7,874). The expense for these two plans is limited to employer's annual contributions for the year.

Notes to the Financial Statements

Note 11

Expenses – Directly Incurred Detailed by Object

(in thousands)

	2009		2008
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	$ 2,768	$ 2,550	$ 2,233
Supplies and Services	2,173	1,098	917
Grants	20,330	20,976	15,434
Amortization of Tangible Capital Assets	86	137	137
Total Fund Expenses	$ 25,357	$ 24,761	$ 18,721

Note 12

Salary and Benefits Disclosure

Salary and benefits disclosure pursuant to *Treasury Board Directive 12/98* as amended is not included as management decisions on the Fund are made by Senior Officials of the Department of the Solicitor General and Public Security.

Note 13

Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Solicitor General and Deputy Minister of Public Security.

Schedule 1

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget

For the Year Ended March 31, 2009
(in thousands)

Program	2008 - 2009 Budget	Treasury Board Authorized (a)	2008 - 2009 Authorized Budget	2008 - 2009 Actual Expense (b)	Unexpended (Over Expended)
Expenses					
1 Financial Benefits	$ 13,683	$ –	$ 13,683	$ 12,747	$ 936
2 Victims Programs	10,412	257	10,669	10,569	100
3 Criminal Injuries Review Board	381	–	381	431	(50)
4 Administration	881	–	881	1,014	(133)
	$ 25,357	$ 257	$ 25,614	$ 24,761	$ 853
Operating Expense	$ 25,357	$ 257	$ 25,614	$ 24,761	$ 853
Capital Investment	25	–	25	–	25
	$ 25,382	$ 257	$ 25,639	$ 24,761	$ 878
Statutory Expenses					
Valuation Adjustments	$ 100	$ –	$ 100	$ 414	$ (314)
	$ 100	$ –	$ 100	$ 414	$ (314)

(a) Supplementary Estimates were approved in December, 2008.

(b) Includes achievement bonus amounting to $41.

Schedule 2

Related Party Transactions

For the Year Ended March 31, 2009
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management of the Fund.

The Fund and its employees paid or collected certain taxes and fees set by regulation for permits,licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Fund had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 3.

	Other Entites	
	2009	**2008**
Expenses - Incurred by Others		
Accommodation	$ 166	$ 132
Legal	5	27
	$ 171	$ 159

The Fund receives services under contracts managed by the Ministry of Service Alberta. Any commitments under these contracts are reported by Service Alberta.

Schedule 3

Allocated Costs

For the Year Ended March 31, 2009
(in thousands)

	2009						2008
		Expenses – Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Regulated Fund:							
Financial Benefits	$ 12,747	$ 91	$ –	$ 44	$ 176	$ 13,058	$ 10,691
Victims Programs	10,569	59	–	18	146	10,792	7,064
Criminal Injuries Review Board	431	–	–	10	6	447	401
Administration	1,014	16	5	–	14	1,049	645
	$ 24,761	$ 166	$ 5	$ 72	$ 342	$ 25,346	$ 18,801

(1) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(2) Costs for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by manpower.

(3) Cost shown for Legal Services on Schedule 2, estimated costs incurred by each program.

(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts were allocated as follows:

- Vacation Pay – allocated to the program by employee.
- Doubtful Accounts Provision – estimated allocation to program.

Alphabetical List of Government Entities' Financial Statements

Entities Included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency • Ministry Annual Report
Access to the Future Fund • Advanced Education and Technology
Agriculture Financial Services Corporation • Agriculture and Rural Development
Alberta Alcohol and Drug Abuse Commission • Health and Wellness
Alberta Cancer Prevention Legacy Fund • Finance and Enterprise
Alberta Capital Finance Authority • Finance and Enterprise
Alberta Energy and Utilities Board[1] • Energy
Alberta Enterprise Corporation[2] • Advanced Education and Technology
Alberta Foundation for the Arts • Culture and Community Spirit
Alberta Gaming and Liquor Commission • Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund • Finance and Enterprise
Alberta Heritage Savings Trust Fund • Finance and Enterprise
Alberta Heritage Scholarship Fund • Finance and Enterprise
Alberta Heritage Science and Engineering Research Endowment Fund • Finance and Enterprise
Alberta Historical Resources Foundation • Culture and Community Spirit
Alberta Insurance Council • Finance and Enterprise
Alberta Investment Management Corporation[3] • Finance and Enterprise
Alberta Livestock and Meat Agency[4] • Agriculture and Rural Development
Alberta Local Authorities Pension Plan Corporation • Finance and Enterprise
Alberta Pensions Administration Corporation • Finance and Enterprise
Alberta Petroleum Marketing Commission • Energy
Alberta Research Council Inc. • Advanced Education and Technology
Alberta Risk Management Fund • Finance and Enterprise
Alberta School Foundation Fund • Education
Alberta Securities Commission • Finance and Enterprise
Alberta Social Housing Corporation • Housing and Urban Affairs
Alberta Sport, Recreation, Parks and Wildlife Foundation • Tourism, Parks and Recreation
Alberta Treasury Branches • Finance and Enterprise
Alberta Utilities Commission[1] • Energy
ATB Insurance Advisors Inc. • Finance and Enterprise
ATB Investment Management Inc. • Finance and Enterprise
ATB Investment Services Inc. • Finance and Enterprise
ATB Securities Inc. • Finance and Enterprise

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[1] Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.
[2] The Act was proclaimed and came into force on December 5, 2008.
[3] Began operations July 1, 2008.
[4] Incorporated on January 29, 2009.

Child and Family Services Authorities • Children and Youth Services
  Calgary and Area Child and Family Services Authority
  Central Alberta Child and Family Services Authority
  East Central Alberta Child and Family Services Authority
  Edmonton and Area Child and Family Services Authority
  North Central Alberta Child and Family Services Authority
  Northeast Alberta Child and Family Services Authority
  Northwest Alberta Child and Family Services Authority
  Southeast Alberta Child and Family Services Authority
  Southwest Alberta Child and Family Services Authority
  Métis Settlements Child and Family Services Authority
C-FER Technologies (1999) Inc. • Advanced Education and Technology
Climate Change and Emissions Management Fund[5] • Environment
Credit Union Deposit Guarantee Corporation • Finance and Enterprise
Colleges • Advanced Education and Technology
  Alberta College of Art and Design
  Bow Valley College
  Grande Prairie Regional College
  Grant MacEwan College
  Keyano College
  Lakeland College
  Lethbridge Community College
  Medicine Hat College
  Mount Royal College
  NorQuest College
  Northern Lakes College
  Olds College
  Portage College
  Red Deer College
Department of Advanced Education and Technology • Advanced Education and Technology
Department of Agriculture and Rural Development • Agriculture and Rural Development
Department of Children and Youth Services • Children and Youth Services
Department of Culture and Community Spirit • Culture and Community Spirit
Department of Education • Education
Department of Energy • Energy
Department of Finance and Enterprise • Finance and Enterprise
Department of Environment • Environment
Department of Health and Wellness • Health and Wellness

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[5] Began operations July 1, 2007.

Department of Housing and Urban Affairs • Housing and Urban Affairs
Department of Municipal Affairs • Municipal Affairs
Department of Seniors and Community Supports • Seniors and Community Supports
Department of Solicitor General and Public Security • Solicitor General and Public Security
Department of Sustainable Resource Development • Sustainable Resource Development
Department of Tourism, Parks and Recreation • Tourism, Parks and Recreation
Energy Resources Conservation Board[1] • Energy
Environmental Protection and Enhancement Fund • Sustainable Resource Development
Gainers Inc. • Finance and Enterprise
Government House Foundation • Culture and Community Spirit
Historic Resources Fund • Culture and Community Spirit
Human Rights, Citizenship and Multiculturalism Education Fund • Culture and Community Spirit
iCORE Inc. • Advanced Education and Technology
Lottery Fund • Solicitor General and Public Security
Ministry of Aboriginal Relations[6] • Aboriginal Relations
Ministry of Advanced Education and Technology • Advanced Education and Technology
Ministry of Agriculture and Rural Development • Agriculture and Rural Development
Ministry of Children and Youth Services • Children and Youth Services
Ministry of Culture and Community Spirit • Culture and Community Spirit
Ministry of Education • Education
Ministry of Employment and Immigration[6] • Employment and Immigration
Ministry of Energy • Energy
Ministry of Environment • Environment
Ministry of Executive Council[6] • Executive Council
Ministry of Finance and Enterprise • Finance and Enterprise
Ministry of Health and Wellness • Health and Wellness
Ministry of Housing and Urban Affairs • Housing and Urban Affairs
Ministry of Infrastructure[6] • Infrastructure
Ministry of International and Intergovernmental Relations[6] • International, and Intergovernmental Relations
Ministry of Justice[6] • Justice
Ministry of Municipal Affairs • Municipal Affairs
Ministry of Seniors and Community Supports • Seniors and Community Supports
Ministry of Service Alberta[6] • Service Alberta
Ministry of Solicitor General and Public Security • Solicitor General and Public Security
Ministry of Sustainable Resource Development • Sustainable Resource Development
Ministry of Tourism, Parks, and Recreation • Tourism, Parks, and Recreation
Ministry of Transportation[6] • Transportation
Ministry of the Treasury Board[6] • Treasury Board
N.A. Properties (1994) Ltd. • Finance and Enterprise
Natural Resources Conservation Board • Sustainable Resource Development

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[1] Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.

[6] Ministry includes only the departments so separate financial statements are not necessary.

- Persons with Developmental Disabilities Community Boards • Seniors and Community Supports
  - Calgary Region Community Board
  - Central Region Community Board
  - Edmonton Region Community Board
  - Northeast Region Community Board
  - Northwest Region Community Board
  - South Region Community Board
- Provincial Judges and Masters in Chambers Reserve Fund • Finance and Enterprise
- Regional Health Authorities and Provincial Health Boards • Health and Wellness
  - Alberta Cancer Board
  - Alberta Mental Health Board
  - Aspen Regional Health Authority
  - Calgary Health Region
  - Capital Health
  - Chinook Regional Health Authority
  - David Thompson Regional Health Authority
  - East Central Health
  - Health Quality Council of Alberta
  - Northern Lights Health Region
  - Peace Country Health
  - Palliser Health Region
- Safety Codes Council • Municipal Affairs
- School Boards and Charter Schools • Education
  - Almadina School Society
  - Aspen View Regional Division No 19
  - Aurora School Ltd.
  - Battle River Regional Division No.31
  - Black Gold Regional Division No.18
  - Boyle Street Education Centre
  - Buffalo Trail Public Schools Regional Division No. 28
  - Calgary Arts Academy Society
  - Calgary Girls' School Society
  - Calgary Roman Catholic Separate School District No. 1
  - Calgary School District No. 19
  - Calgary Science School Society
  - Canadian Rockies Regional Division No. 12
  - CAPE-Centre for Academic and Personal Excellence Institute
  - Chinook's Edge School Division No. 73
  - Christ the Redeemer Catholic Separate Regional Division No. 3
  - Clearview School Division No. 71
  - East Central Alberta Catholic Separate Schools Regional Division No. 16

School Boards and Charter Schools • Education (continued)

- East Central Francophone Education Region No. 3
- Edmonton Catholic Separate School District No. 7
- Edmonton School District No. 7
- Elk Island Catholic Separate Regional Division No. 41
- Elk Island Public Schools Regional Division No. 14
- Evergreen Catholic Separate Regional Division No. 2
- FFCA Charter School Society
- Foothills School Division No. 38
- Fort McMurray Roman Catholic Separate School District No. 32
- Fort McMurray School District No. 2833
- Fort Vermilion School Division No. 52
- Golden Hills School Division No. 75
- Grande Prairie Public School District No. 2357
- Grande Prairie Roman Catholic Separate School District No. 28
- Grande Yellowhead Regional Division No. 35
- Grasslands Regional Division No. 6
- Greater North Central Francophone Education Region No. 2
- Greater Southern Public Francophone Education Region No. 4
- Greater Southern Separate Catholic Francophone Education Region No. 4
- Greater St. Albert Catholic Regional Division No. 29
- High Prairie School Division No. 48
- Holy Family Catholic Regional Division No. 37
- Holy Spirit Roman Catholic Separate Regional Division No. 4
- Horizon School Division No. 67
- Lakeland Roman Catholic Separate School District No. 150
- Lethbridge School District No. 51
- Living Waters Catholic Regional Division No. 42
- Livingstone Range School Division No. 68
- Medicine Hat Catholic Separate Regional Division No. 20
- Medicine Hat School District No. 76
- Moberly Hall School Society
- Mother Earth's Children's Charter School Society
- New Horizons Charter School Society
- Northern Gateway Regional Division No. 10
- Northern Lights School Division No. 69
- Northland School Division No. 61
- Northwest Francophone Education Region No. 1
- Palliser Regional Division No. 26
- Parkland School Division No. 70
- Peace River School Division No. 10

School Boards and Charter Schools • Education (continued)
  Peace Wapiti School Division No. 76
  Pembina Hills Regional Division No. 7
  Prairie Land Regional Division No. 25
  Prairie Rose School Division No. 8
  Red Deer Catholic Regional Division No. 39
  Red Deer School District No. 104
  Rocky View School Division No. 41
  St. Albert Protestant Separate School District No. 6
  St. Paul Education Regional Division No. 1
  St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38
  Sturgeon School Division No. 24
  Suzuki Charter School Society
  Westmount Charter School Society
  Westwind School Division No. 74
  Wetaskiwin Regional Division No. 11
  Wild Rose School Division No. 66
  Wolf Creek School Division No. 72
Supplementary Retirement Plan Reserve Fund • Finance and Enterprise
Technical Institutes and The Banff Centre • Advanced Education and Technology
  Northern Alberta Institute of Technology
  Southern Alberta Institute of Technology
  The Banff Centre for Continuing Education
Universities • Advanced Education and Technology
  Athabasca University
  The University of Alberta
  The University of Calgary
  The University of Lethbridge
Victims of Crime Fund • Solicitor General and Public Security
The Wild Rose Foundation • Culture and Community Spirit

Entities Not Included in the Consolidated Government Reporting Entity

Fund or Agency • Ministry Annual Report
Alberta Foundation for Health Research • Advanced Education and Technology
Alberta Heritage Foundation for Medical Research • Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research • Advanced Education and Technology
Alberta Teachers' Retirement Fund Board • Education
Improvement Districts' Trust Account • Municipal Affairs
Local Authorities Pension Plan • Finance and Enterprise
Long-Term Disability Income Continuance Plan – Bargaining Unit • Treasury Board
Long-Term Disability Income Continuance Plan – Management, Opted Out and Excluded • Treasury Board
Management Employees Pension Plan • Finance and Enterprise
Provincial Judges and Masters in Chambers (Registered) Pension Plan • Finance and Enterprise
Public Service Management (Closed Membership) Pension Plan • Finance and Enterprise
Public Service Pension Plan • Finance and Enterprise
Special Areas Trust Account • Municipal Affairs
Special Forces Pension Plan • Finance and Enterprise
Supplementary Retirement Plan for Public Service Managers • Finance and Enterprise
Workers' Compensation Board • Employment and Immigration

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